

Platinum Level Partners:



Gold Partner:



Media Partners:





# Silver Level Partners:



NORWOOD



## *Sustaining Level Partners:*

ADD STAFF, Inc.

Apartment Association of Southern Colorado

Aventa Credit Union

Blazer Electric Supply Co.

Bryan Construction Inc.

City of Fountain

Classic Companies

Colorado Springs Airport

dpiX, LLC

Financial Planning Association of Southern  
Colorado

Hoff & Leigh

Housing & Building Association of Colorado Springs

Independent Bank

Integrity Bank and Trust

Keller Homes, Inc.

Kimberley Sherwood

Legacy Bank

Network for Business Innovation

Olive Real Estate Group, Inc.

The Patterson Group

Phalanx Investments

Rocky Mountain PBS

Salzman Real Estate Services, Ltd.

Sparks Willson, P.C.

TBK Bank

Timberline Landscaping, Inc.

University of Colorado Executive Programs

U.S. Bank

Visit Colorado Springs



*As always, thank you to the wonderful  
Rebecca Wilder for all her hard work!*





Economic Forum

**COLLEGE OF BUSINESS**

UNIVERSITY OF COLORADO

**COLORADO SPRINGS**

***Things Are Different This Year!***  
**(Virtual!) Annual Presentation**

**Pre-recorded September 22, 2020**

**Tatiana Bailey, Ph.D.**  
**Director, UCCS Economic Forum**



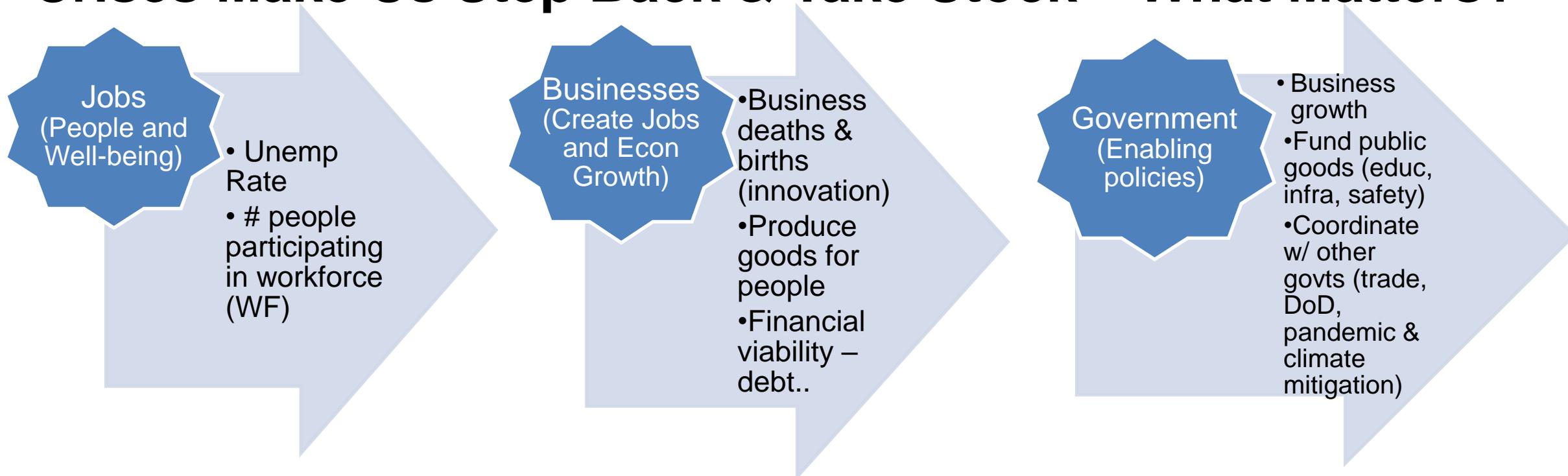
University of Colorado  
Colorado Springs



University of Colorado

Boulder | Colorado Springs | Denver | Anschutz Medical Campus

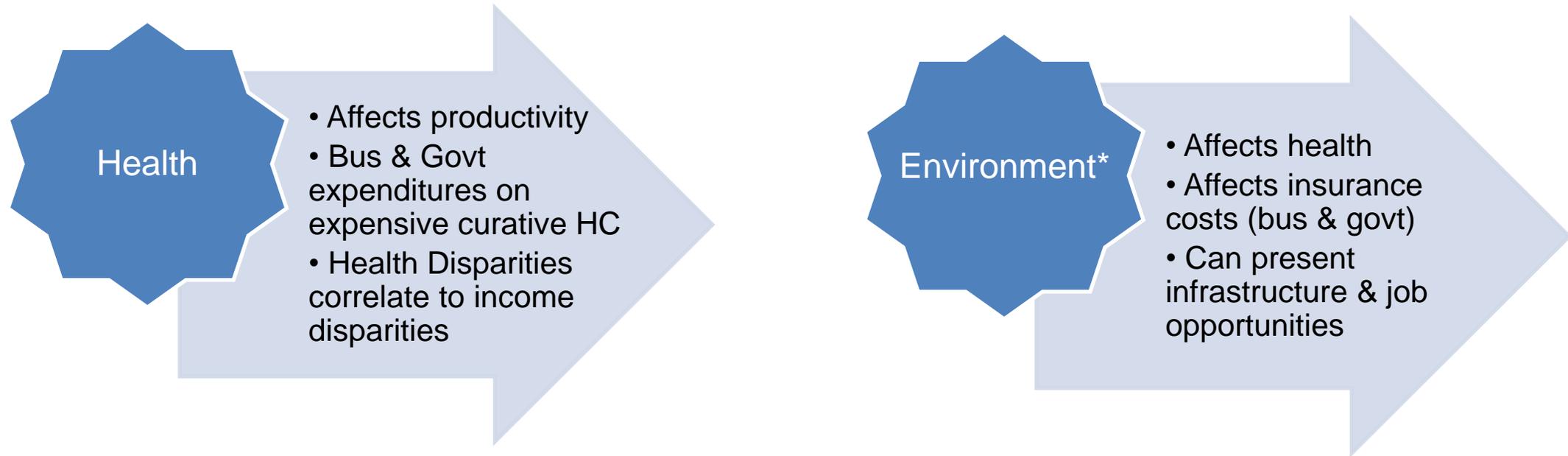
# Crises Make Us Step Back & Take Stock – What Matters?



*All impact **GDP**, business growth, distribution of wealth, QoL...“the economy..”*

*...but economy is not just the GDP, stock market, or jobs. It’s how these cogs work together to ensure well-being, equitable opportunities for all, business growth, innovation, and global competitiveness.*

# Crises Makes Us Step Back & Take Stock – What Matters?



COVID has amplified the fragility of each cog, the importance of each cog, and the interdependence between them.

No question a vaccine and the “other side” of this pandemic will create euphoria, but a crisis is a terrible thing to waste, and it can create opportunity.

*\*2018 CA wildfires cost over \$20b in insurance alone (doesn't count LT health impacts, tourism losses, higher premiums downstream..) CA 14% of US GDP*

# A Crisis is a Terrible Thing to Waste

Smart communities/nations will USE this crisis to:

- 1) **Prepare** for other nation-wide or world-wide disasters (pandemics, climate induced).

*e.g. Taiwan hit hard by SARS and learned from that. They've had 7 COVID-related deaths and never shut down their economy (relentless and stringent testing/tracing)*

- 2) **To embrace** trends that were already in play (digital economy, online learning, alternative energy) to **leapfrog innovations and invest in the new way of doing things\***

*Opportunity to be a world leader in innovation and lead the next iteration of our economy. Opportunity to create jobs.*

Source: Taiwan's COVID-19 data from Our World in Data, <https://ourworldindata.org/covid-cases>. \*75% of consumers have tried a new shopping behavior during pandemic.

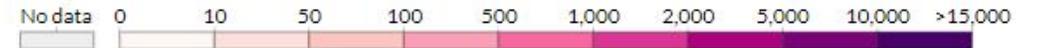
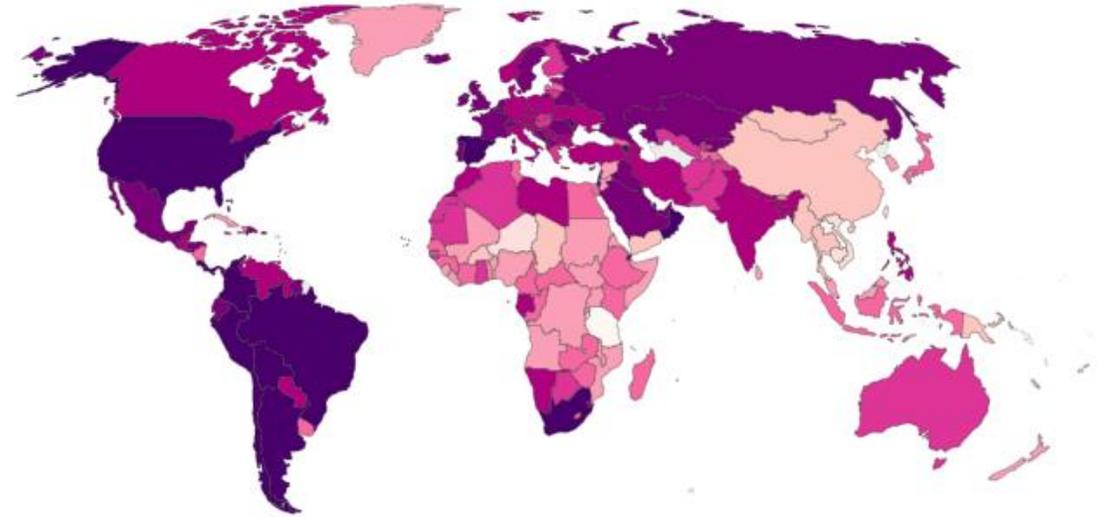
# Quick COVID-19 Update

Total confirmed COVID-19 cases per million people, Jan 22, 2020 to Sep 20, 2020

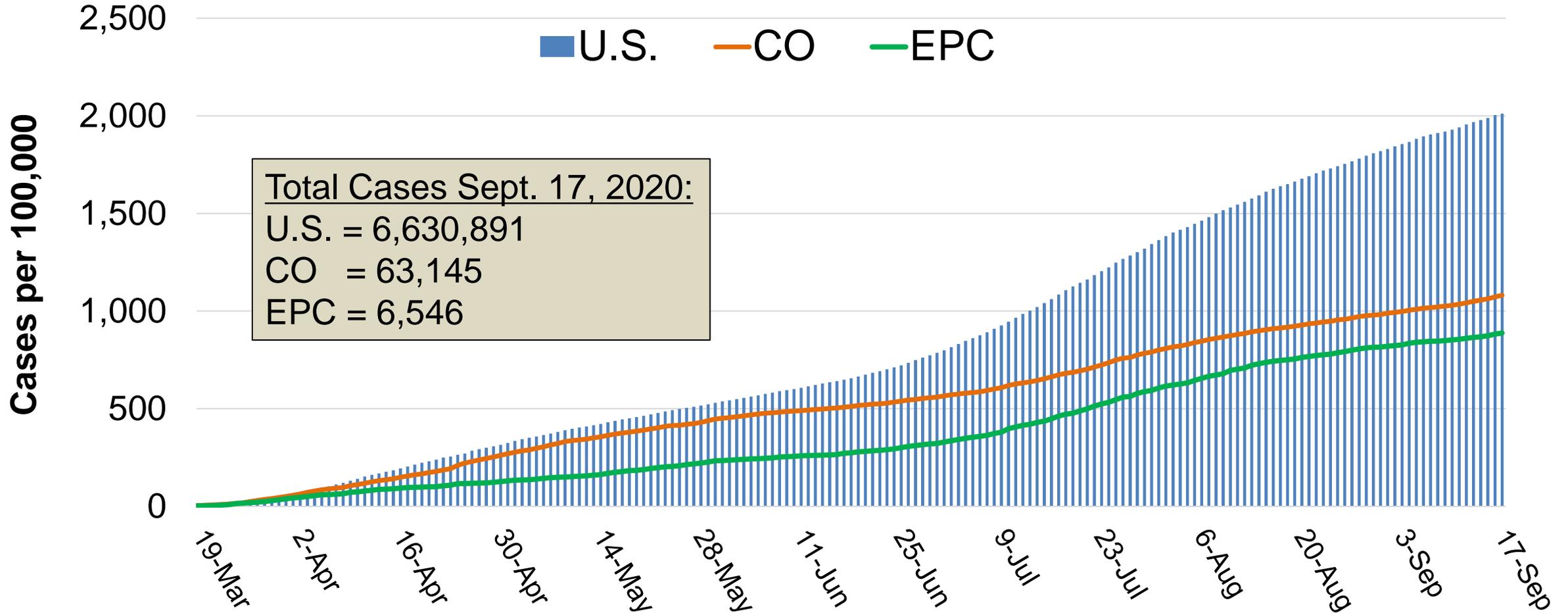
Our World  
in Data

The number of confirmed cases is lower than the number of total cases. The main reason for this is limited testing.

World



# COVID-19 Cases per 100,000: U.S., CO & EPC



Note: Data is through September 17, 2020.

Sources: Colorado Department of Public Health; European Center for Disease Prevention and Control

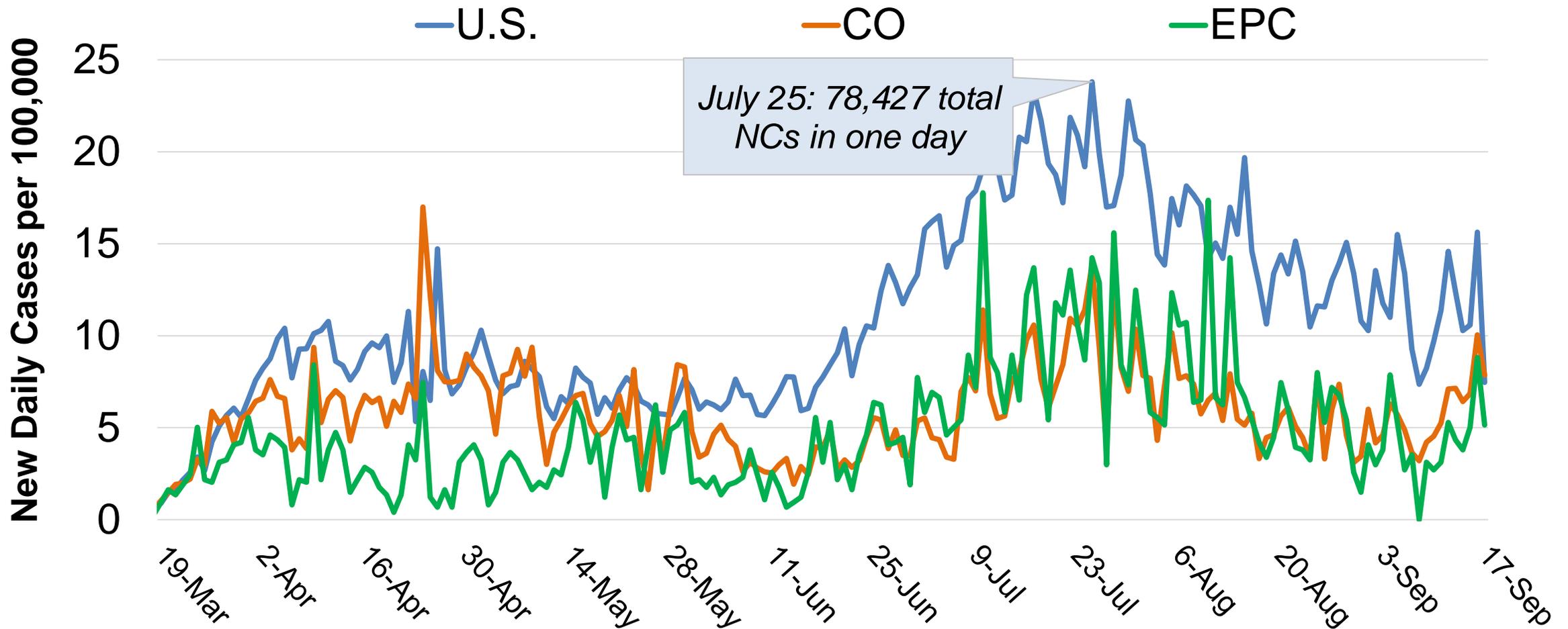


University of Colorado  
Colorado Springs



University of Colorado  
Boulder | Colorado Springs | Denver | Anschutz Medical Campus

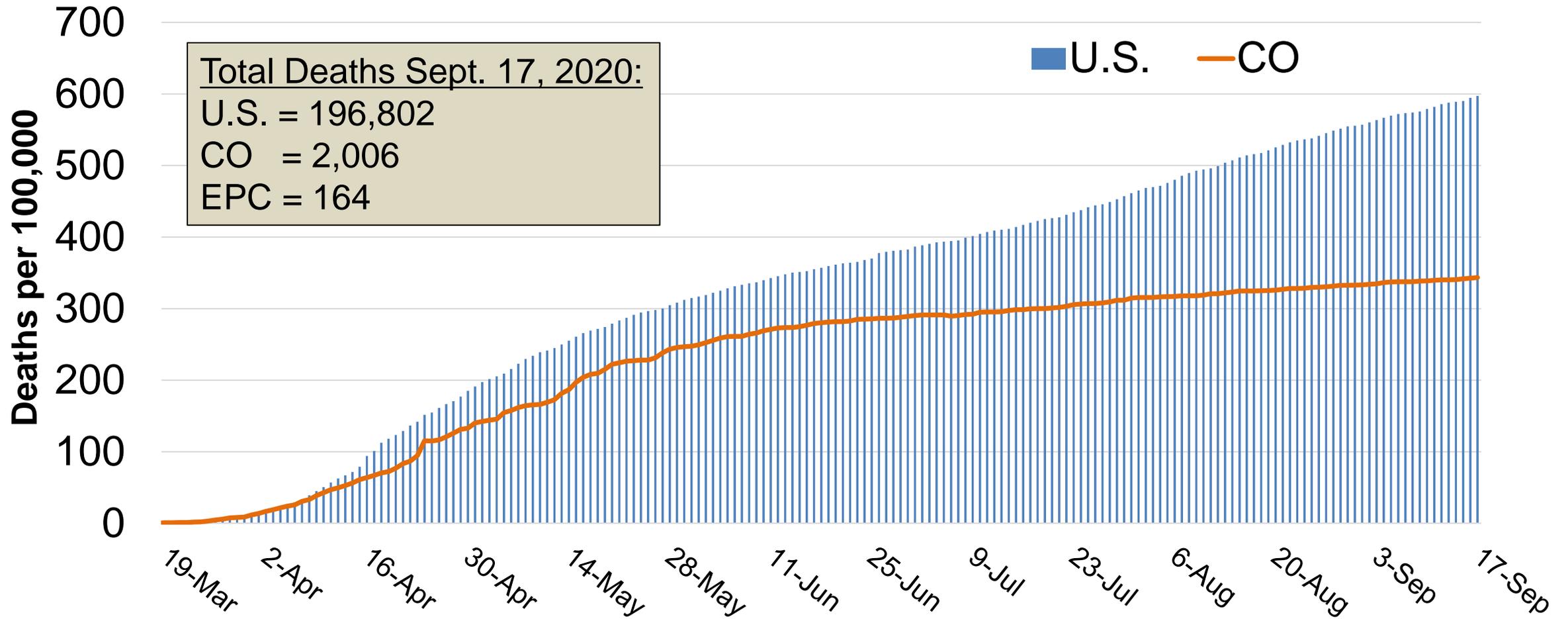
# New Daily COVID-19 Cases per 100,000: U.S., CO & EPC



Note: Data is through September 17, 2020.

Sources: Colorado Department of Public Health; European Center for Disease Prevention and Control

# COVID-19 Deaths per Million: U.S. & CO



Note: Data is through September 17, 2020. Sources: Colorado Department of Public Health; European Center for Disease Prevention and Control

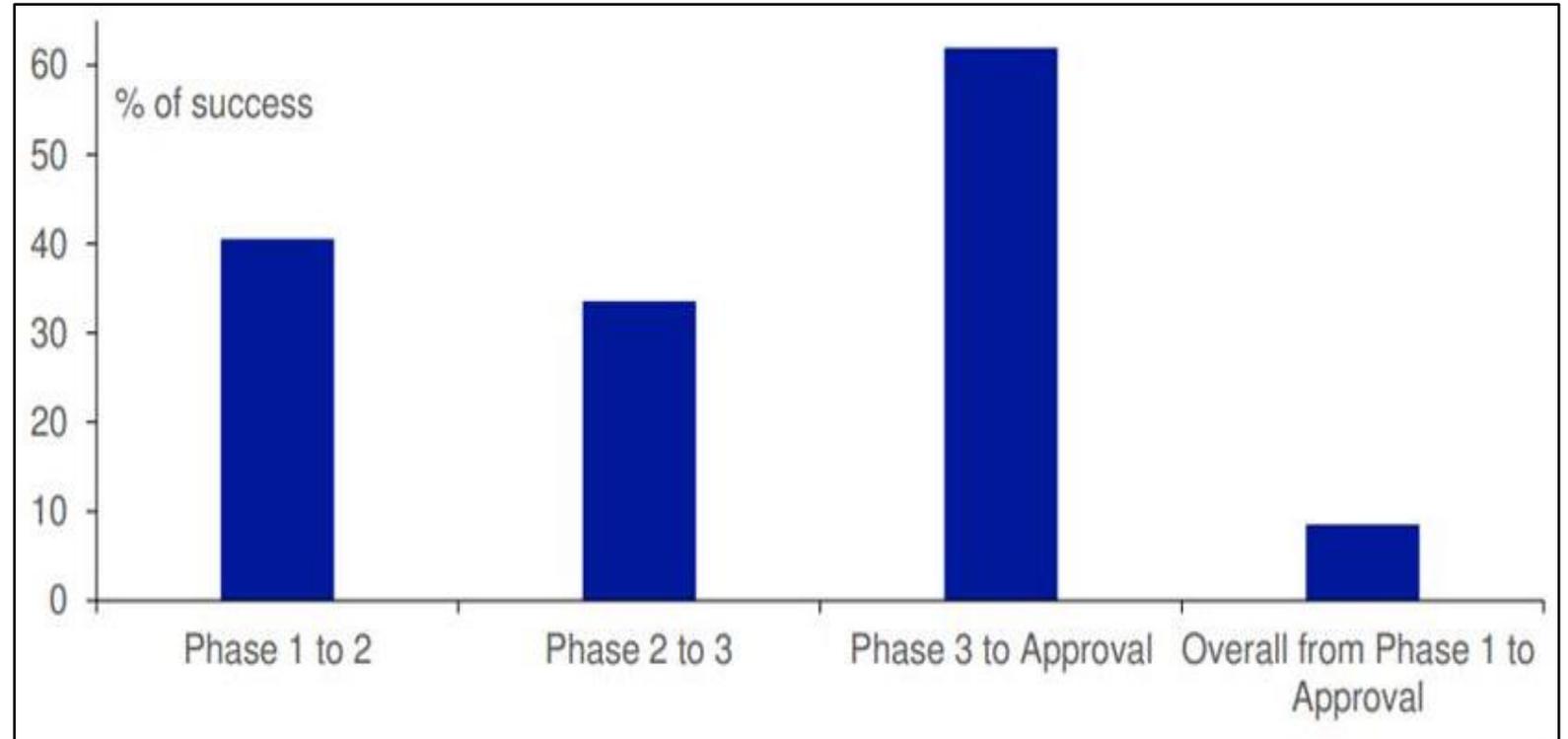
# Estimated Clinical Trials Success Rates, 2005-2015

Vaccines usually take 10 years, but COVID-19 has combined global efforts.

Around 60% of “Phase 3” trials were approved between 2005 and 2015.

This number increased to 85% for infectious disease vaccines.

There are currently **9** vaccines for COVID-19 at Phase 3 as of Sept 2020.



Source: Chi Heem Wong, Kien Wei Siah, Andrew W Lo, *Estimation of clinical trial success rates and related parameters*, *Biostatistics*, Volume 20, Issue 2, April 2019, pages 273-286, <https://doi.org/10.1093/biostatistics/kxx069>. Deutsche Bank Note: Figures for 2015 include data to October. Coronavirus Vaccine Tracker (Corum, Wee & Zimmer)

# How to Get to Herd Immunity, COVID -19

## *Knowns as of September 17, 2020:*

- Total cases in U.S. = 6,630,891
- Total deaths = 196,802
- Case Mortality Rate (CMR) = 3.0% for U.S.\*

## *Model Assumptions:*

- Minimal threshold for “herd immunity” = 60%
- Vaccine widely available in U.S. 1/1/2021 (optimistic)\*\*
- Continued trend of 40,000 new cases/day from Sept 17, 2020 – Jan 31, 2021
- (Fewer) 20,000 new cases/day in Feb & March 2021, w/ some vaccination
- Immunity for infected individuals lasts for some meaningful period of time (?)
- “Probable true cases” scenario assumes 10 positives for every 1 known positive (via test)

Source: Johns Hopkins, Our World in Data (ECDC). \* CMR for world = 3.2%; \*\* vaccines widely available for world by end of 2021

How to Get to U.S. Herd Immunity, COVID -19

CONFIRMED CASES	Population U.S.	People Infected by 3/31/21	% Infected by 3/31/21	% Vaccin	People Vaccin	Total People Immune (Pos+Vac)	% Immune
1 – Low Vaccination Rate	330 million	13.2 million	4%	30%	95 million	108 million	<b><u>33%</u></b>
2 – High Vaccination Rate	330 million	13.2 million	4%	60%	190 million	203 million	<b><u>62%</u></b>
PROBABLE TRUE CASES (10x confirmed cases)	Population U.S.	People Infected by 3/31/21	% Infected by 3/31/21	Percent Vaccin	People Vaccin	Total People Immune (Pos+Vac)	Percent Immune
1 – Low Vaccination Rate	330 million	72 million	22%	30%	77 million	150 million	<b><u>45%</u></b>
2 – High Vaccination Rate	330 million	72million	22%	50%	128 million	201 million	<b><u>61%</u></b>

Source: John's Hopkins, Our World In Data (ECDC), Calculations by Tatiana. **Extrapolated U.S. deaths with assumptions by March 31, 2021 = 396,327**

How to Get  
to World  
Herd  
Immunity,  
COVID -19

CONFIRMED CASES	World Population	People Infected by 3/31/21	% Infected by 3/31/21	% Vaccin World	People Vaccin World	Total People Immune (Pos+Vac)	% Immune
1 – Low Vaccination Rate	7.8 billion	157 million	2%	30%	2.3 billion	2.5 billion	<b><u>31%</u></b>
2 – High Vaccination Rate	7.8 billion	157 million	2%	60%	4.6 billion	4.7 billion	<b><u>61%</u></b>

PROBABLE TRUE CASES (10x confirmed cases)	World Population	People Infected by 3/31/21	% Infected by 3/31/21	Percent Vaccin World	People Vaccin World	Total People Immune (Pos+Vac)	Percent Immune
1 – Low Vaccination Rate	7.8 billion	1.6 billion	20%	30%	1.9 billion	3.4 billion	<b><u>44%</u></b>
2 – High Vaccination Rate	7.8 billion	1.6 billion	20%	50%	3.1 billion	4.7 billion	<b><u>60%</u></b>

# Demographics Matter

Higher absolute number of people impacted by and impacting each other

Scale of any problem is larger

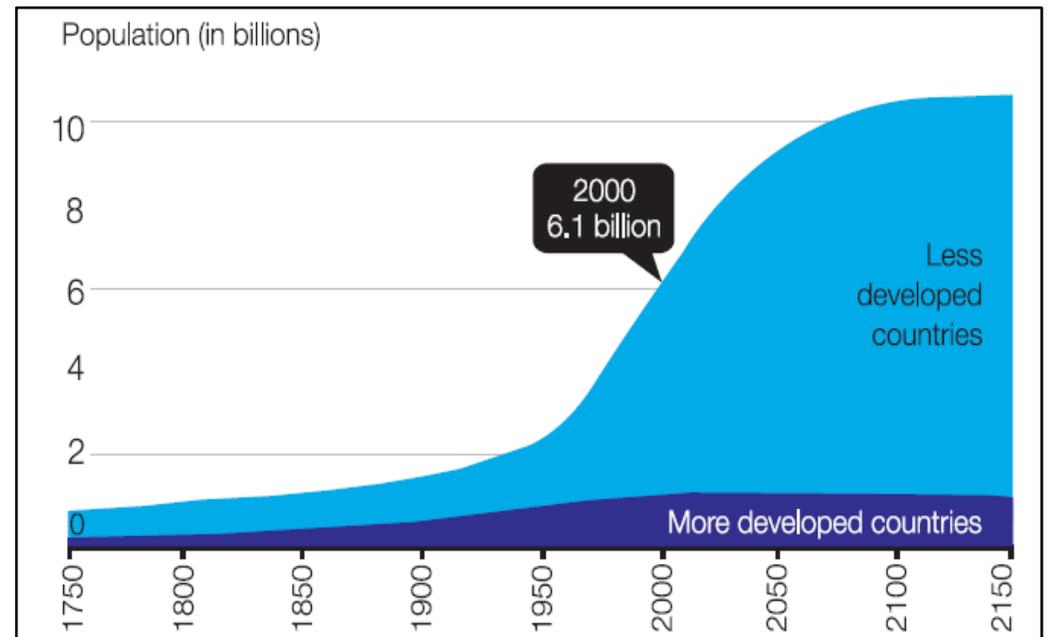
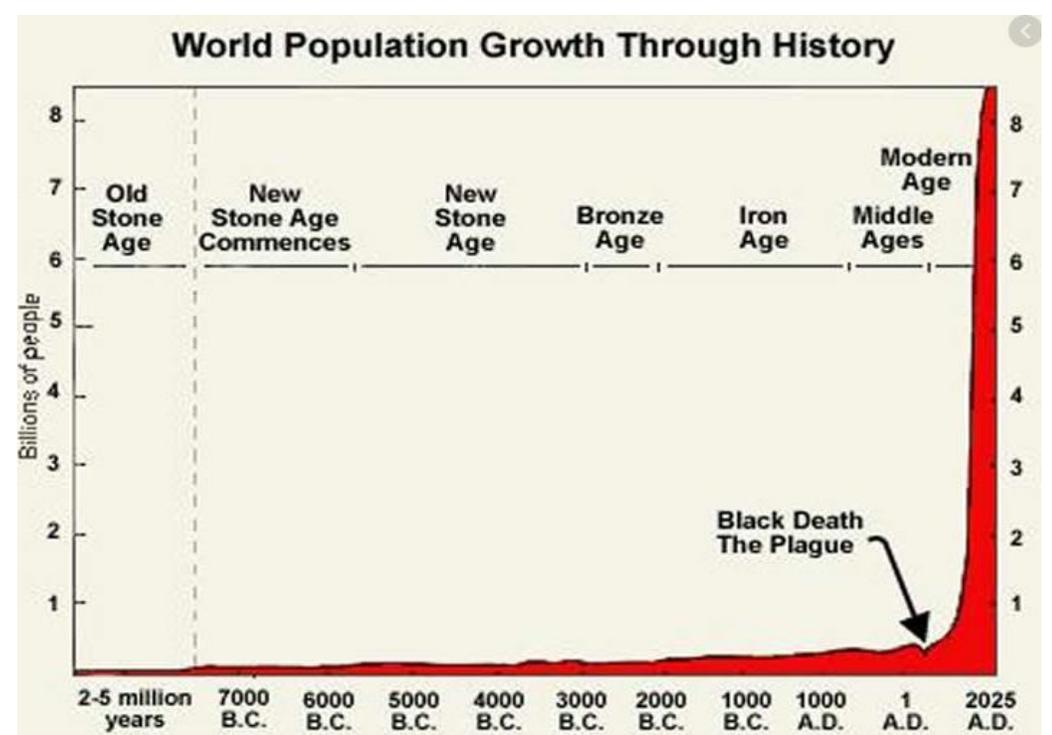
Took ~2 million years for world's population to reach 1 billion..

And 200 years more to reach 7 billion.

Most of growth in less developed countries

The scale of people means efforts better addressed through large-scale coordinated efforts.

Sources: Thinglink; United Nations



# Good News and Bad News...

## Good News:

We've learned how to better manage the disease.

Nine vaccines in phase 3 of clinical trials

## Bad News:

Reinfection does happen, but appears rare

Don't know about efficacy and durability of potential vaccines

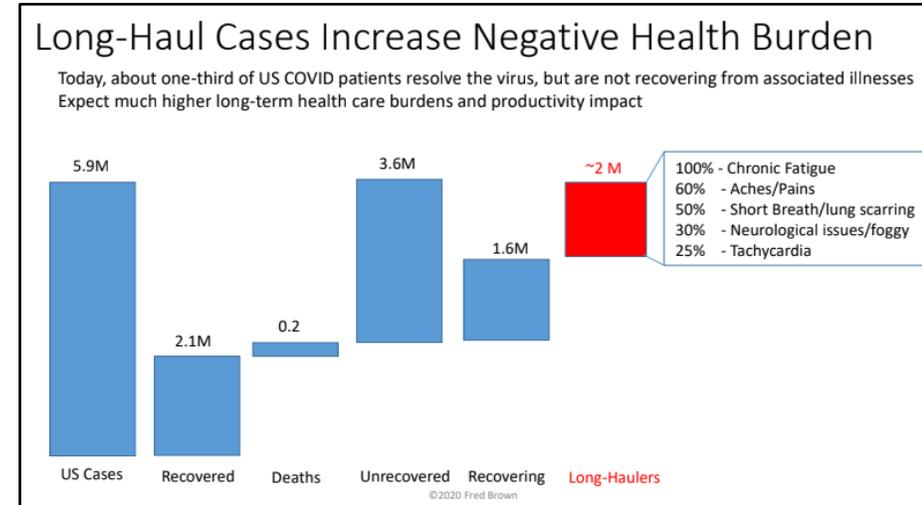
Fear of "fast-tracked" vaccine may impede herd immunity efforts

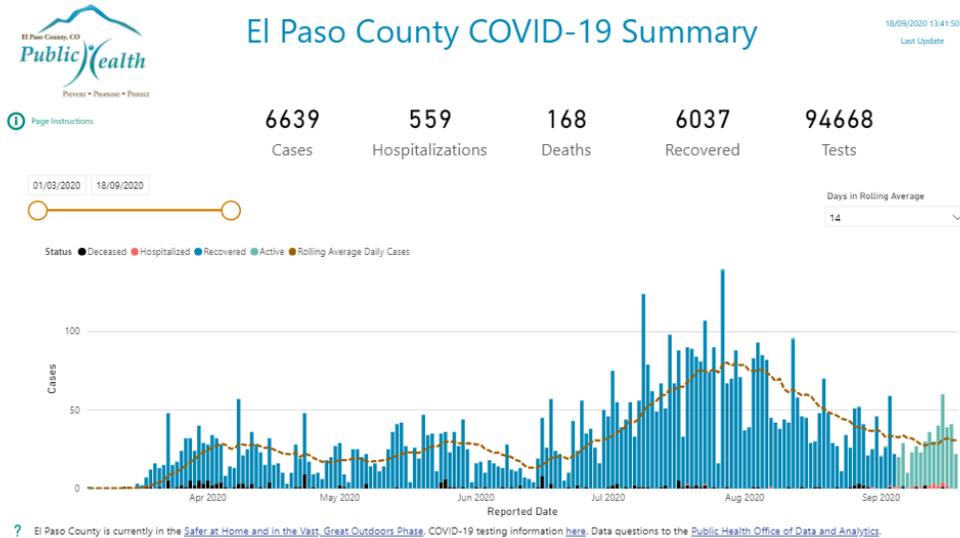
Surprisingly high number of people with lasting chronic health issues (above); long-term impacts on labor productivity??

## Unknowns:

Viral mutation under selective pressure?

Can vaccine enhance virus severity?

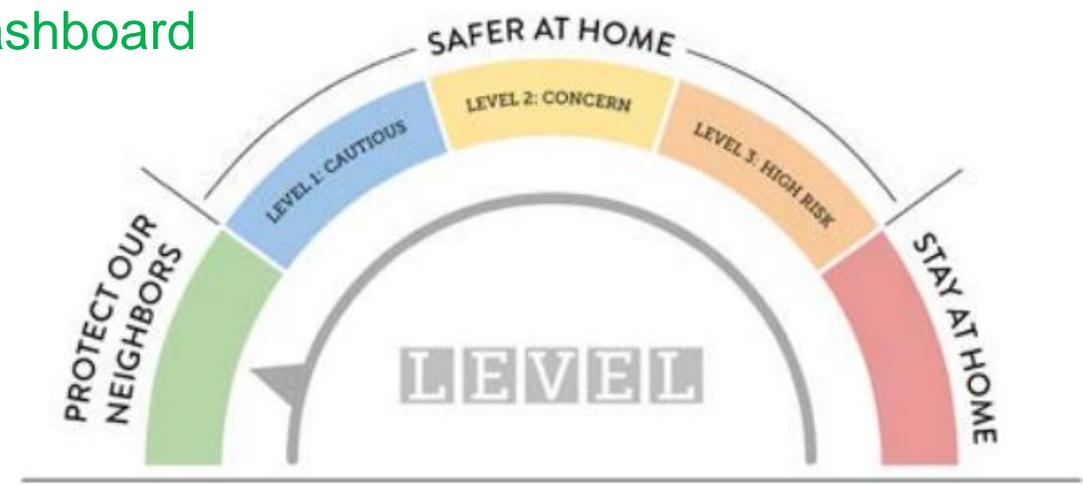




# Excellent Local COVID-19 Dashboard

<https://www.elpasocountyhealth.org/covid19data-dashboard>

**A New Dial For Each Community to Assess Risk & Mitigate**



<https://drive.google.com/file/d/1kGtoAlK9qtU1fwQGUss2yYTWKtc3ocMX/view>

# Jobs

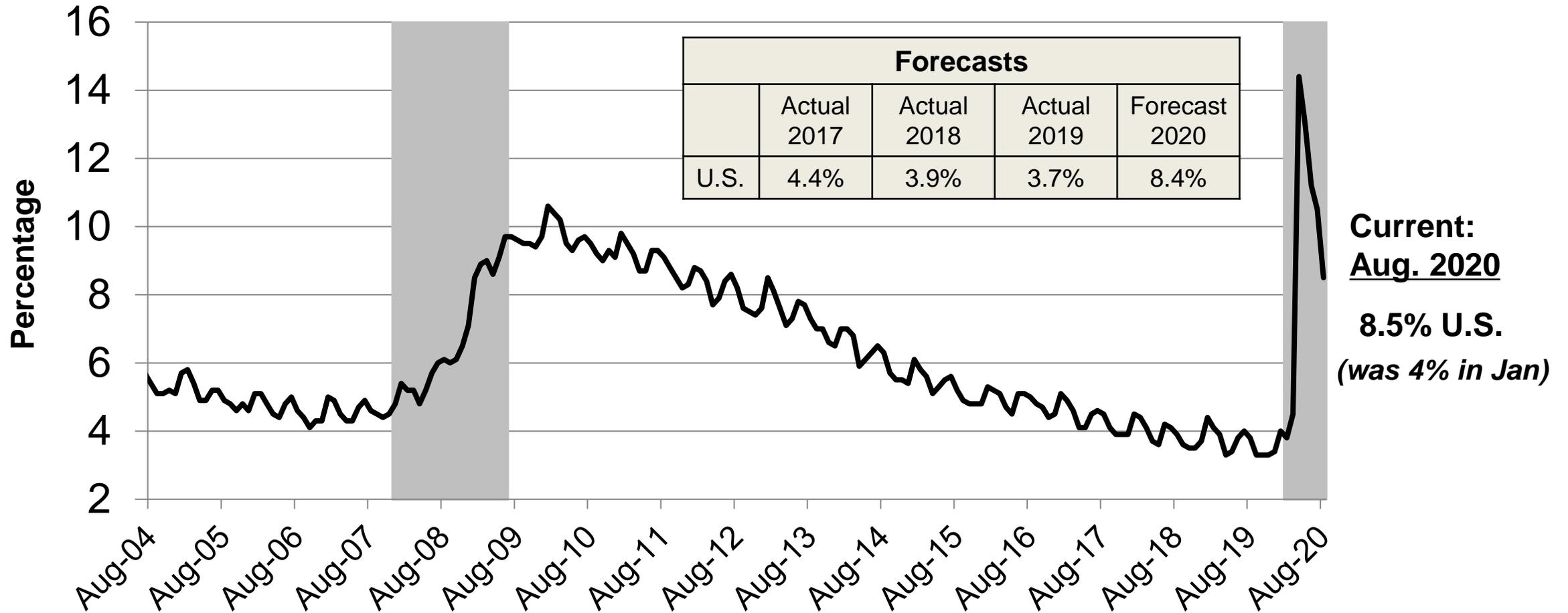


University of Colorado  
Colorado Springs



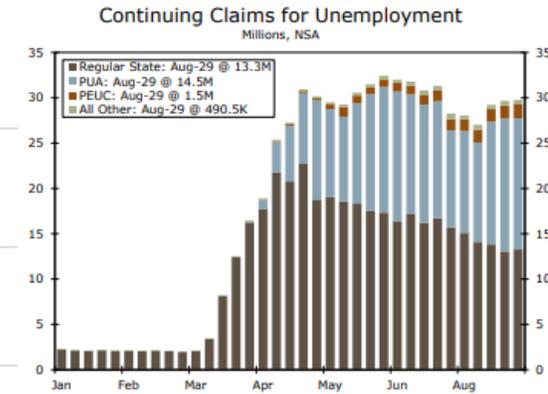
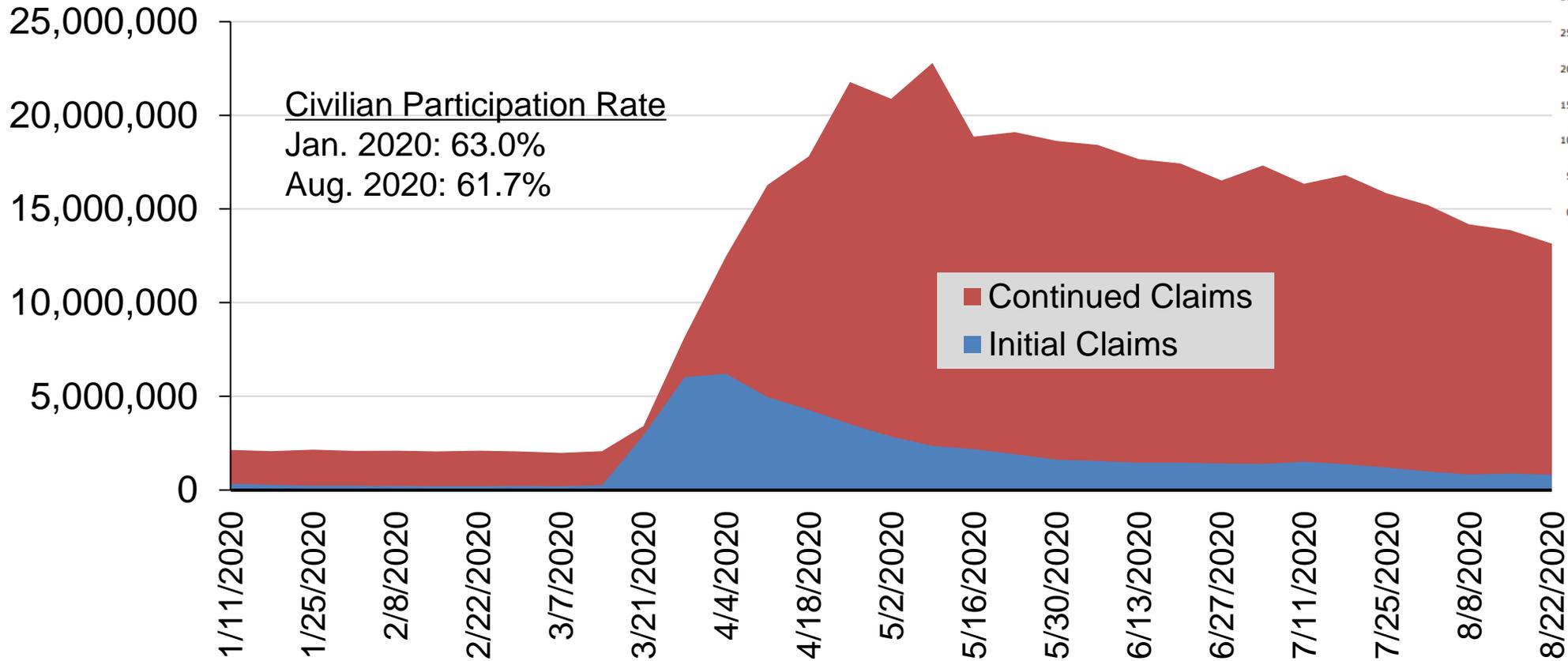
University of Colorado  
Boulder | Colorado Springs | Denver | Anschutz Medical Campus

# U.S. Monthly Unemployment Rate – NSA



Sources: U.S. Bureau of Labor Statistics, BLS unemployment rate from the CPS & includes self employed. Forecast by Colorado Office of State Planning & Budgeting, September 2020. U-3 rate in January was 4.0%.

# U.S. Regular Unemployment Claims



*If we include PUA (Gig workers), there are roughly 29 million people receiving benefits*

Sources: U.S. Department of Labor. Note: U.S. data lags two weeks – this chart is through August 22. Snip including PUA from Wells Fargo.

# Jobs Situation

## Temporary/Furlough to Permanent

**HOSPITALITY United Airlines** announced on September 2 that it will furlough **16,370** employees once federal aid expires on October 1. **Delta** furloughing **1,941 pilots**. **MGM** resorts permanently laying off **18,000** previously furloughed. **Boeing** cut **10% of staff** in April and then **7,000** more in May. **Spirit** furloughed ~25% of its workforce. **SouthWest** offered extended leave and exit packages to **28%** of WF. **American Airlines** laid off **25,000** (20% of WF). **Hilton** laying off **2,100 corporate employees** (22% of corp workforce); **Virgin Atlantic** cut **3,150** jobs in May; **Airbnb** cut **1,900** (25% of its workforce); **Hertz** laid off **10,000** employees (25% WF); **Walt Disney** furloughed **43,000** in April; Norwegian Airlines cut **7,300** employees (**90%** of WF); **Marriott** furloughed **115,000** in March now offering permanent exit packages to many (\$12.3b in debt)



# Shuttering Brick & Mortar Locations and Bankruptcies

**RETAIL JCPenny** closing **152 stores** w/**1,000** layoffs. Calvin Klein & Tommy Hilfiger shuttering **162 stores** and **450 jobs** (12% of workforce). **Levi's** cutting **700 jobs** (**15%** of workforce). **Macy's** laying off **3,900** corporate workers; **Under Armour** temp laid off **6,700**



**RETAIL HEALTH CARE Walgreens** cutting **4,000** jobs.



*Not to mention mom-and-pop small business*

Sources: Business Insider, Wall Street Journal

# Layoffs Across Industries (including professional/technical\*)

**AUTO/MANUF Ford** is offering buyouts to **1,400** workers eligible for retirement this year in the US. The September 2 cuts make up just under **5% of the company's US workforce**. **Daimler** projected to cut **30%** of global workforce.



**F&B MANUF Coca-Cola** offering voluntary—separation packages to **4,000** North America employees (layoffs not specified)



**GIG Uber** cutting **6,700** (~**25%** of WF), closing 45 offices; **Lyft** cut 982 employees, furloughed another 288 (17% of workforce).



Sources: Business Insider, Wall Street Journal. \*Higher costs for hiring prof/tech jobs so layoffs are slower to happen, but also slower to resume hiring.

# Layoffs Across Industries (including professional/technical)

**PROF & TECH** **Salesforce** announced *record sales* in late August but also announced **1,000** layoffs out of 54,000 employees. Had pledged freeze on layoffs in March. **AT&T** laid off **3,500** during the summer (& **250 stores**). IBM will cut “several thousand jobs.” **GE** cut **2,500** (10% of WF)



**FINANCE** **Citigroup** will layoff **1%** of its global workforce (after commitment to pause layoffs during pandemic). **Wells Fargo** said “thousands.”



**ARTS** **NBCUniversal** cut **10%** of workforce in August. **WarnerMedia's** first round cut **600**. **Cirque du Soleil** laid off **95%** of its WF cancelling all upcoming performances.



**OIL & GAS** Oil company **Schlumberger** cut **21,000** jobs in July. **Chevron** cutting **10-15%** of WF



Sources: Business Insider, Wall Street Journal

# Upcoming Expiration Dates

PROGRAM	EXPIRATION
Supplemental \$600 UI per week	July 31
Lost Wage Assistance \$300/ week (6-week duration)*	September 5th
Aviation Payrolls Support	September 30
Pandemic Unemployment Assistance (Gig)	December 31
Mortgage Foreclosure Moratorium	December 31
Eviction Moratorium	December 31
Suspension of Student Loans	December 31

MERRY CHRISTMAS AND HAPPY NEW YEAR!



Source: Bloomberg News, September 14, 2020. \*Payments in Colorado are happening retroactively now.

**And it's an election year..**



**...if they make it.**

# General Trends

“Temporary” furloughs esp. hospitality are becoming permanent. Mostly young people.

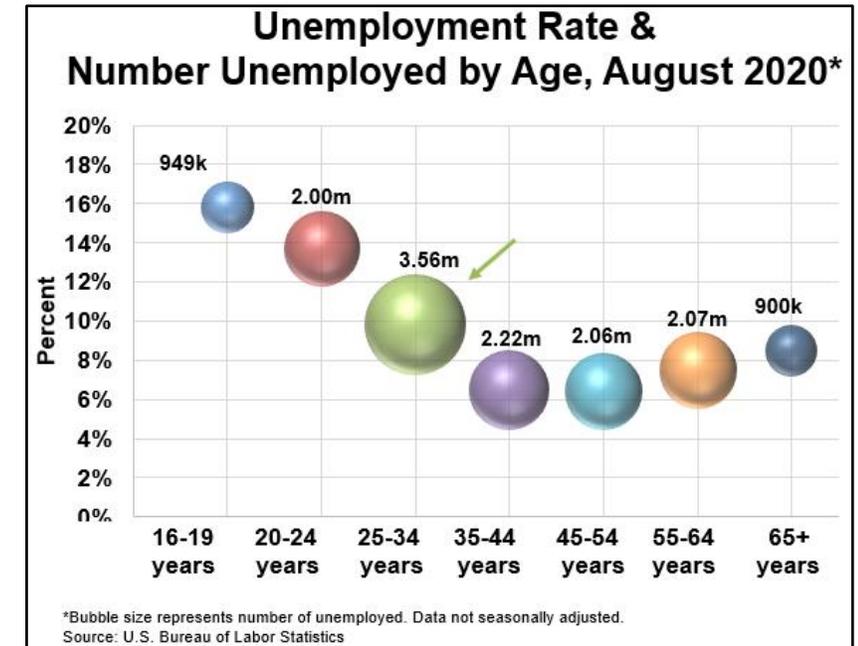
Retirements are increasing (buyouts, health concerns..).

Older workers 55+ fueled the increase in LF participation pre-COVID so this is a big hit.

Women aren't reengaging w/ job market quickly (LTE)

Childcare/family responsibilities reason for leaving LF has jumped 178%.

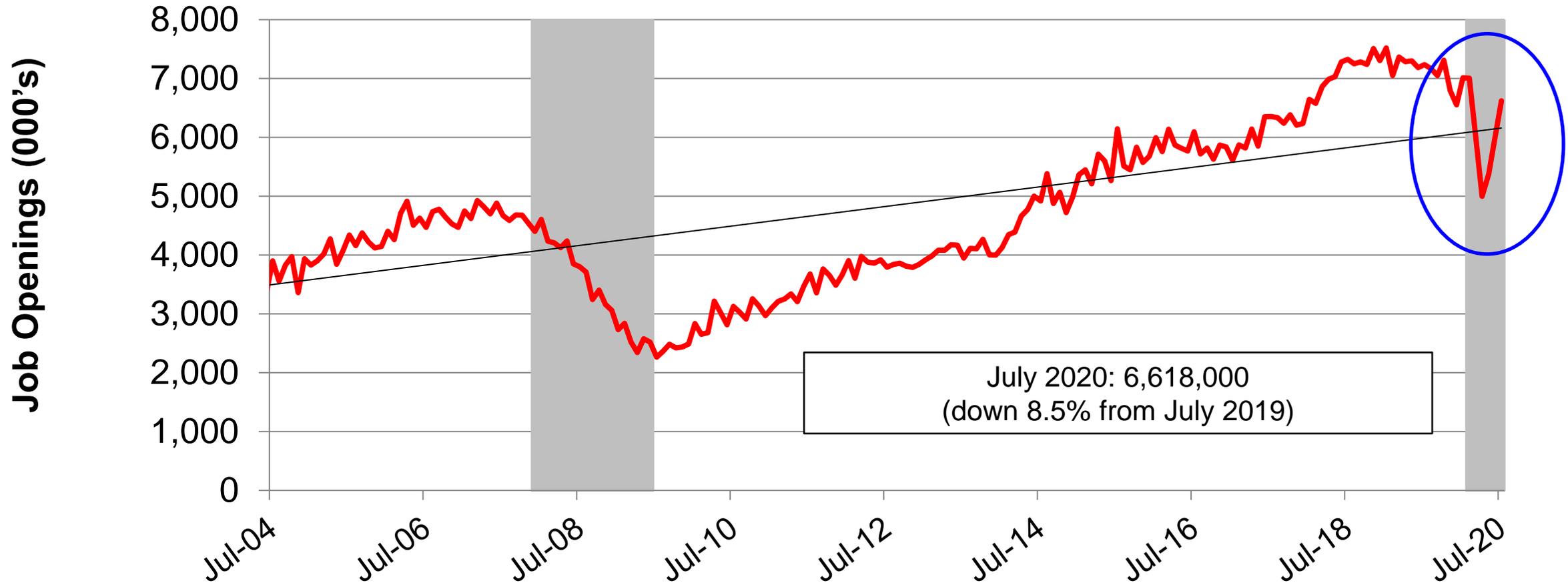
During GR mostly men were laid off or left the LF.



Source: <https://www.reuters.com/article/usa-economy-scarring/analysis-retirements-layoffs-labor-force-flight-may-leave-scars-on-us-economy-idUSL1N2FZ0W6>. September 14, 2020

# Survey Employer Data through July 2020

## Total U.S. Monthly Non-Farm Job Openings SA (000's)



*U.S. job posting were down 6% in Aug v. Jan (BG), but still 29m unemployed. Skills gap is hurting us further..*

Source: Federal Reserve Bank of St. Louis, U.S. Bureau of Labor Statistics



University of Colorado  
Colorado Springs



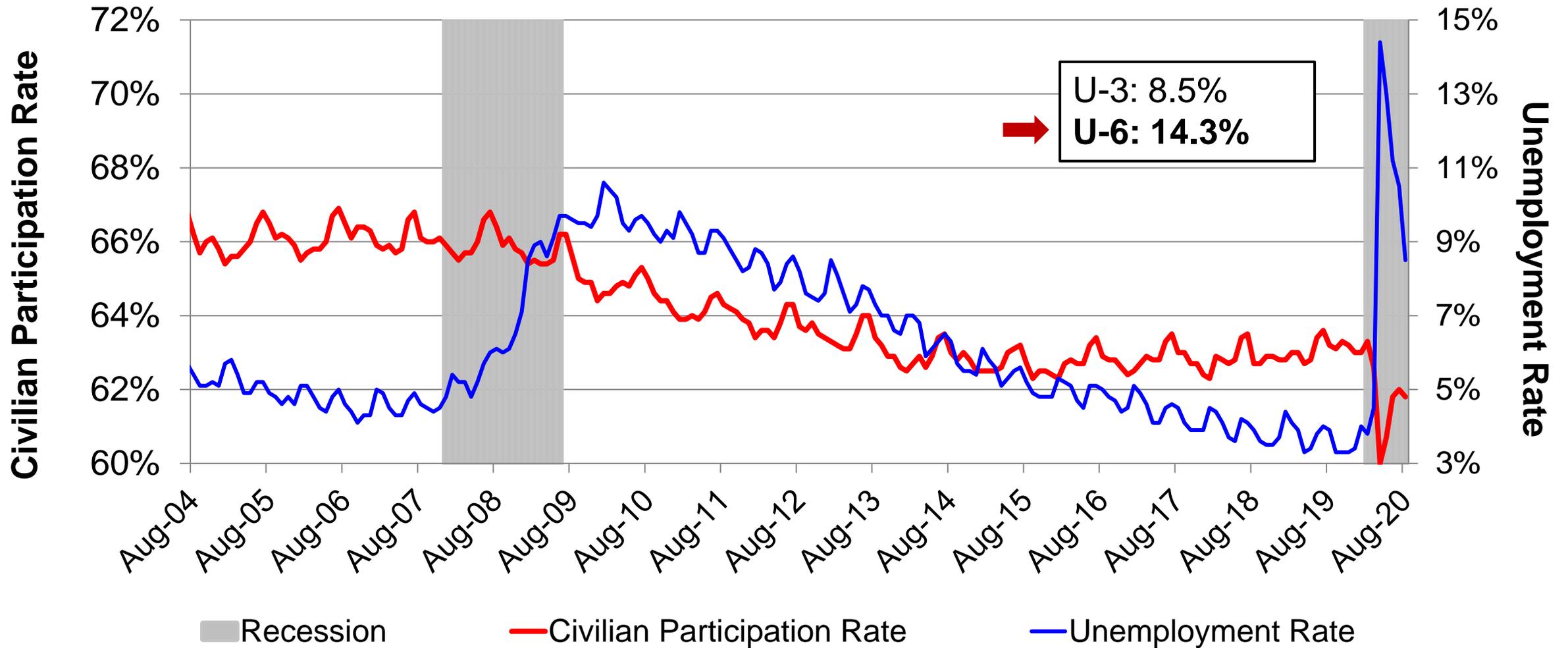
University of Colorado  
Boulder | Colorado Springs | Denver | Anschutz Medical Campus

# How Many People Are Actually Working?

*Civilian Participation Rate*

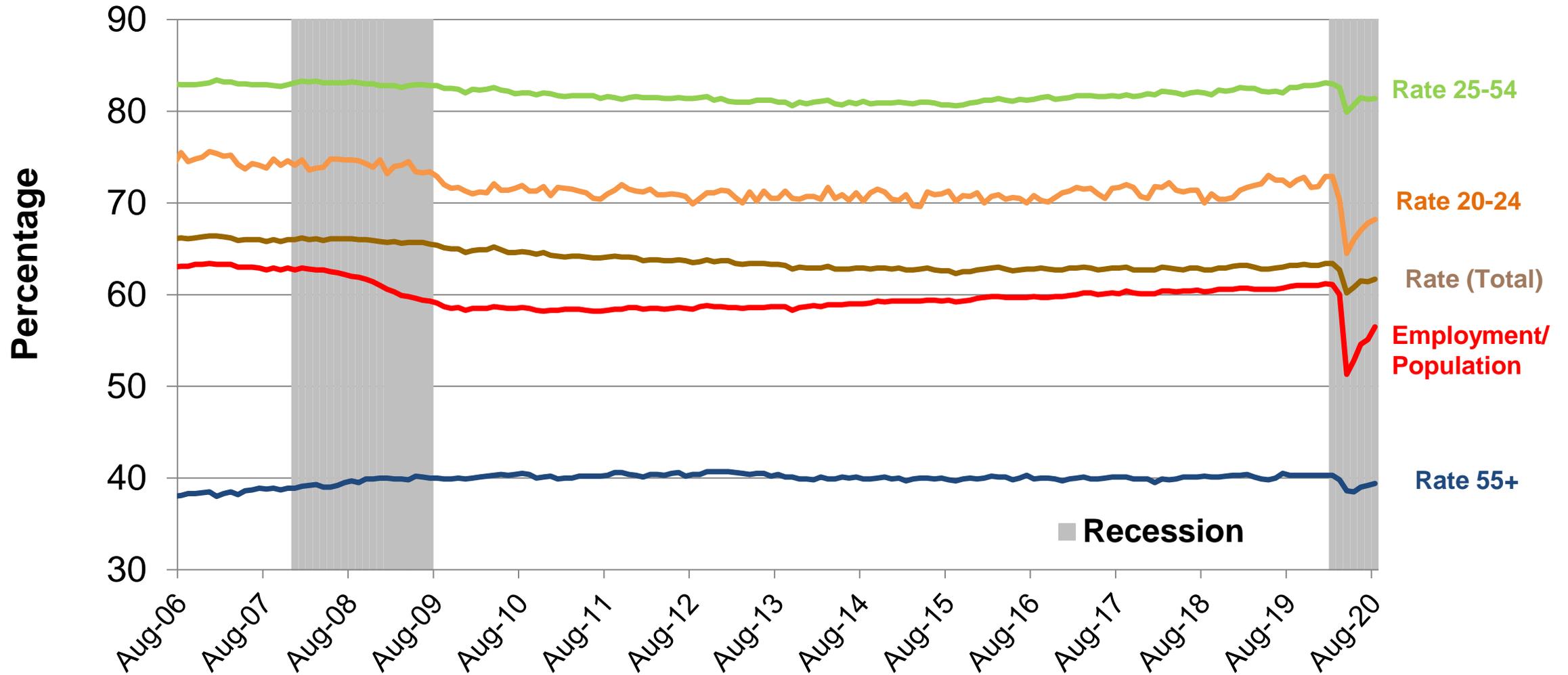
*This is a cyclical issue tied to COVID-19 and  
a structural issue linked to the skills gap*

# U.S. Civilian Participation and Unemployment Rates, NSA



Source: U.S. Bureau of Labor Statistics. U-6 includes unemployed, those marginally attached to LF, plus those employed PT for economic reasons. **In August 2019, it was 7.3%.**

# Household Data: U.S. Civilian Participation Rates SA Employment/Population SA



Source: Federal Reserve Bank of St. Louis, U.S. Bureau of Labor Statistics



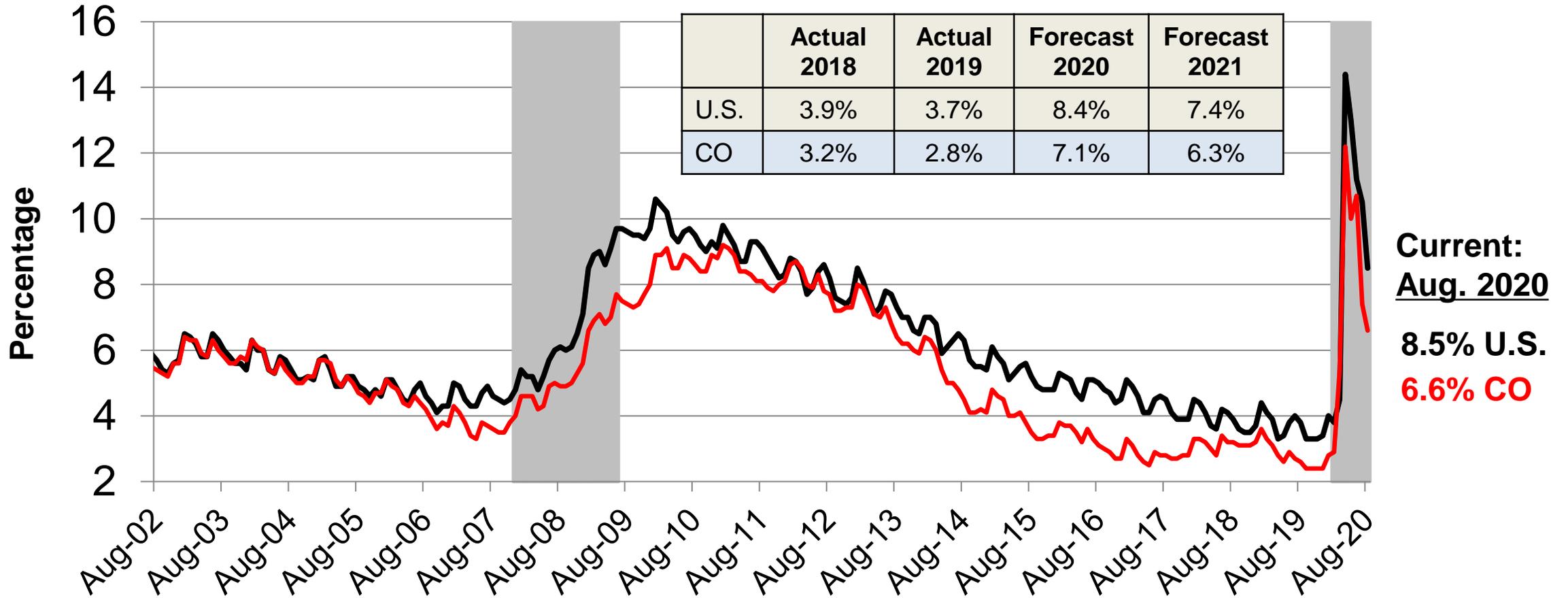
University of Colorado  
Colorado Springs



University of Colorado  
Boulder | Colorado Springs | Denver | Anschutz Medical Campus

# Colorado State Unemployment & Labor Force

# Monthly Unemployment Rate – NSA



BLS unemployment rate is from the CPS and includes self employed. Forecasts by the Colorado Office of State Planning and Budgeting, September 2020  
 Sources: U.S. Bureau of Labor Statistics; Colorado Department of Labor and Employment

# Sharp Pivot in Colorado Employment

August 2019 to August 2020, the number people in the labor force decreased by 70,024 people (down 2.2%).

Number unemployed increased by 121,447 (up 145.2%).

Total employment declined by 191,471 (down 6.2%).

State budgets experiencing unprecedented challenges (+1000% increase in UI payments)

Fewer tax dollars; in CO, TABOR restricts ability to build reserves (Gallagher on ballot)

Higher expenditures for other transfer payments (e.g. Medicaid)

Automatic stabilizers tougher in tax revenue-restricted states

*AND Secretary of State estimates that PPP helped retain ~932,000 jobs in CO.*

Source: Colorado Department of Labor and Employment (not seasonally adjusted data)

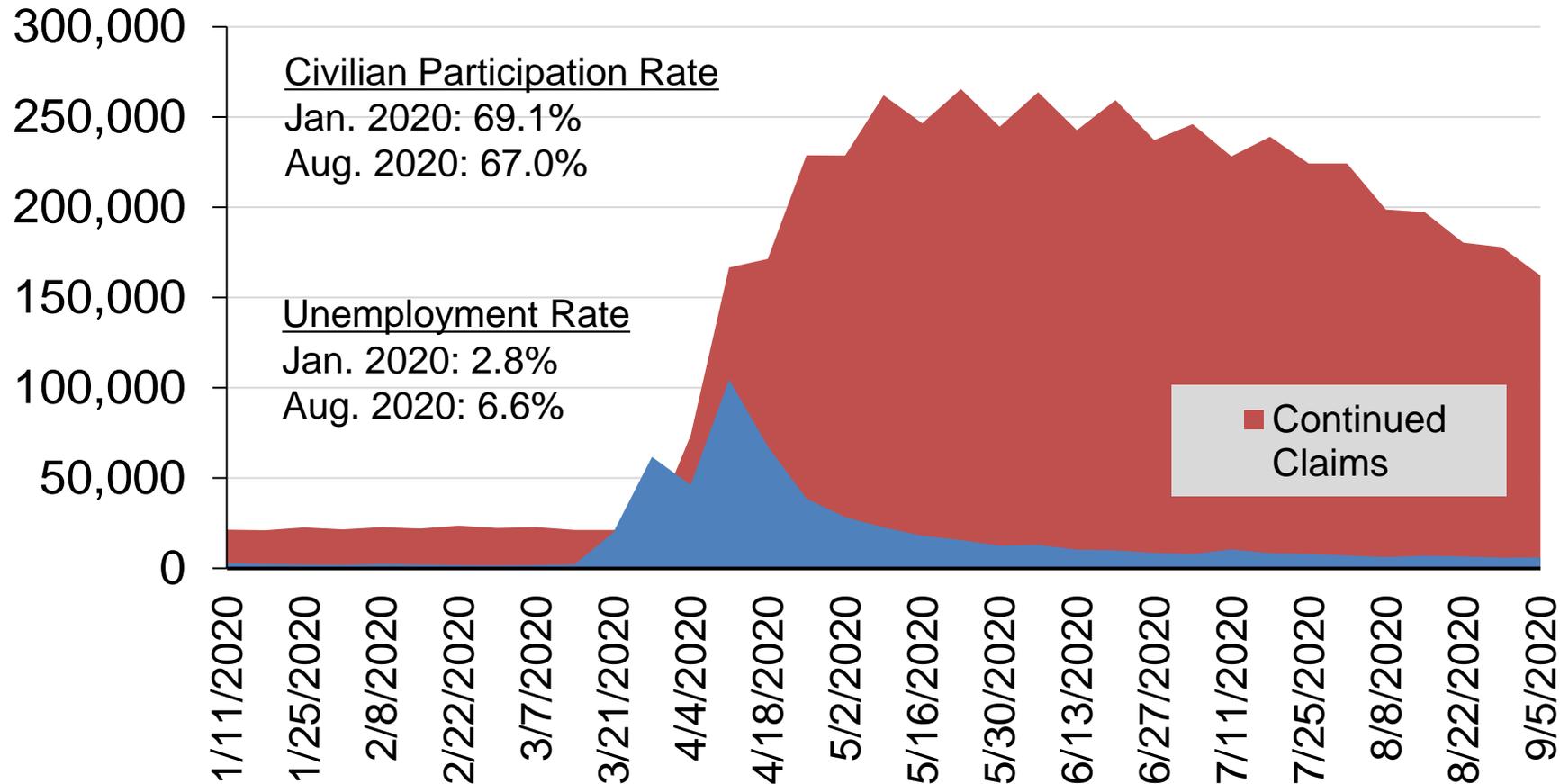


University of Colorado  
Colorado Springs



University of Colorado  
Boulder | Colorado Springs | Denver | Anschutz Medical Campus

# Colorado Regular Unemployment Claims



Since March 29:

\$5b in state & federal UI (CO=\$2b)

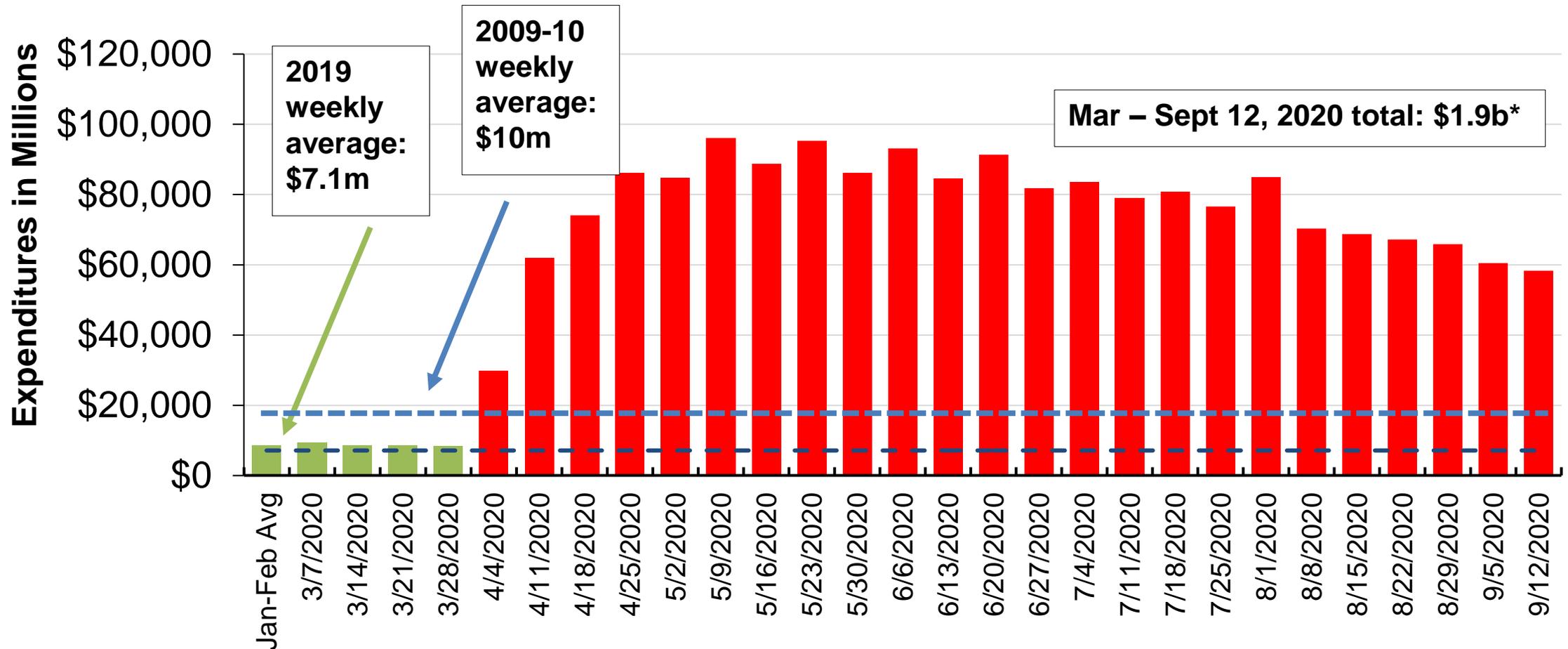
Benefits to 714,000 Coloradans

CO doing better than nation with unemployment and engagement in WF

*If we include PUA (Gig workers), there were 246,000 Coloradans claiming benefits week ending 9/5*

Sources: U.S. Department of Labor; Colorado Department of Labor and Employment

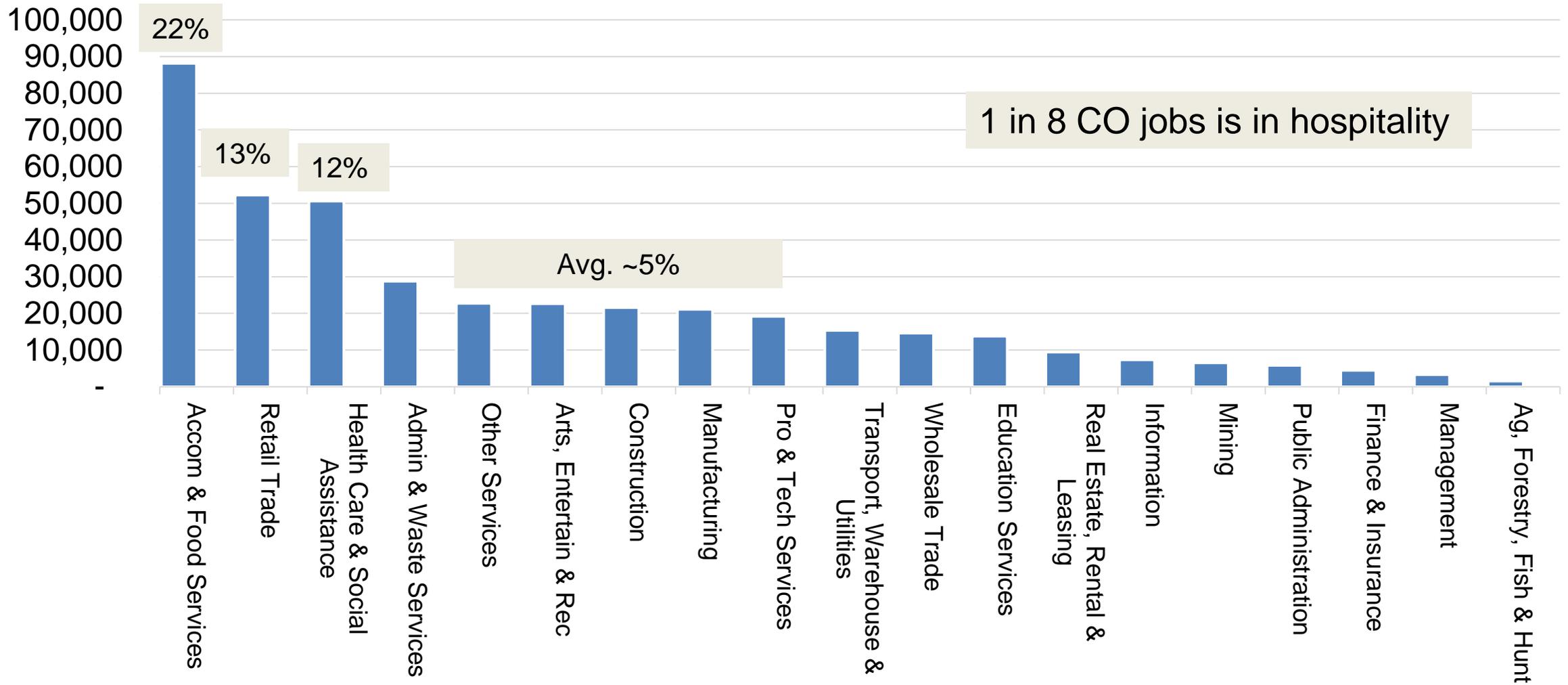
# CO Regular Unemployment Insurance Benefit Amounts Paid Compared to Previous Years – State Expenditures Only



Source: Colorado Department of Labor and Employment. \*UI paid for regular CO UI excl. federally paid PUA (gig/self-empl)

# CO Unemployment Claims by Industry

## March 7 – August 29, 2020



Source: Colorado Department of Labor and Employment; Leeds School of Business for ratio of hospitality jobs.

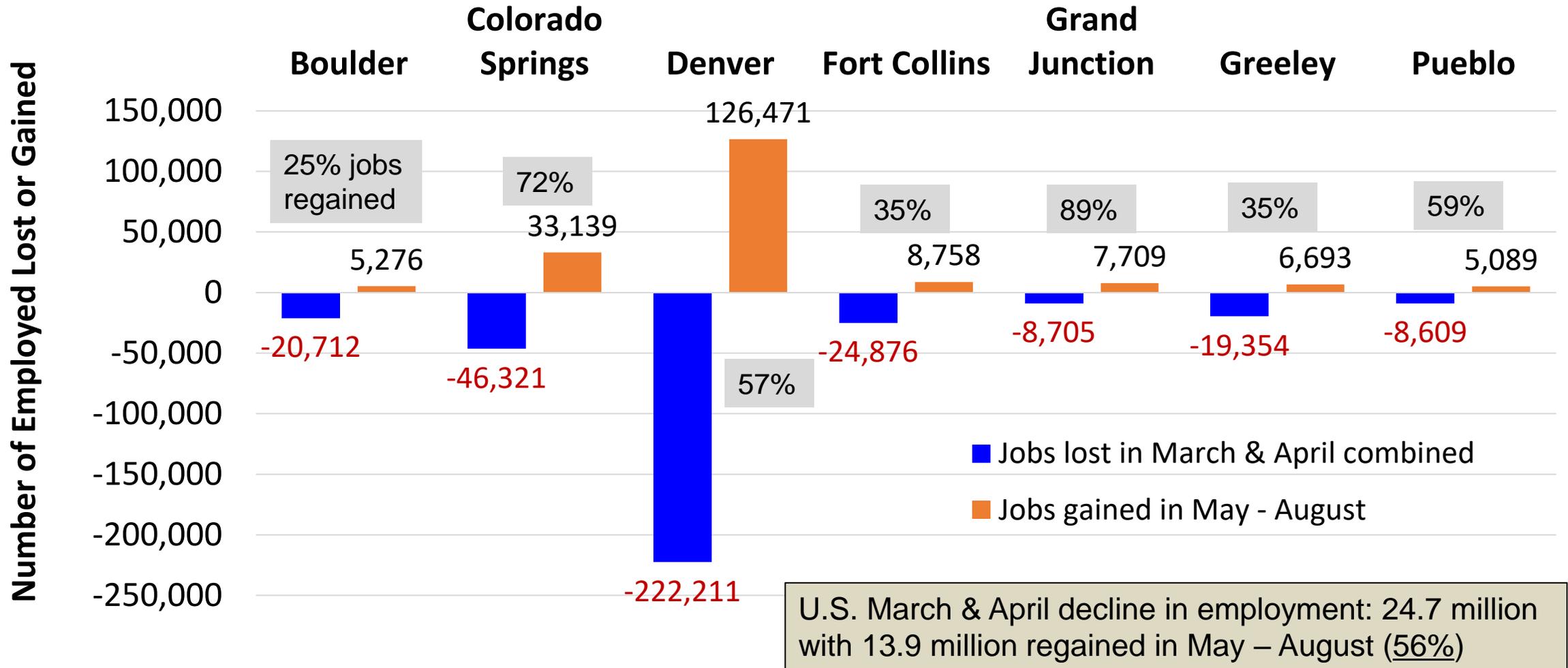


University of Colorado  
Colorado Springs



University of Colorado  
Boulder | Colorado Springs | Denver | Anschutz Medical Campus

# Change in Employment March – August 2020

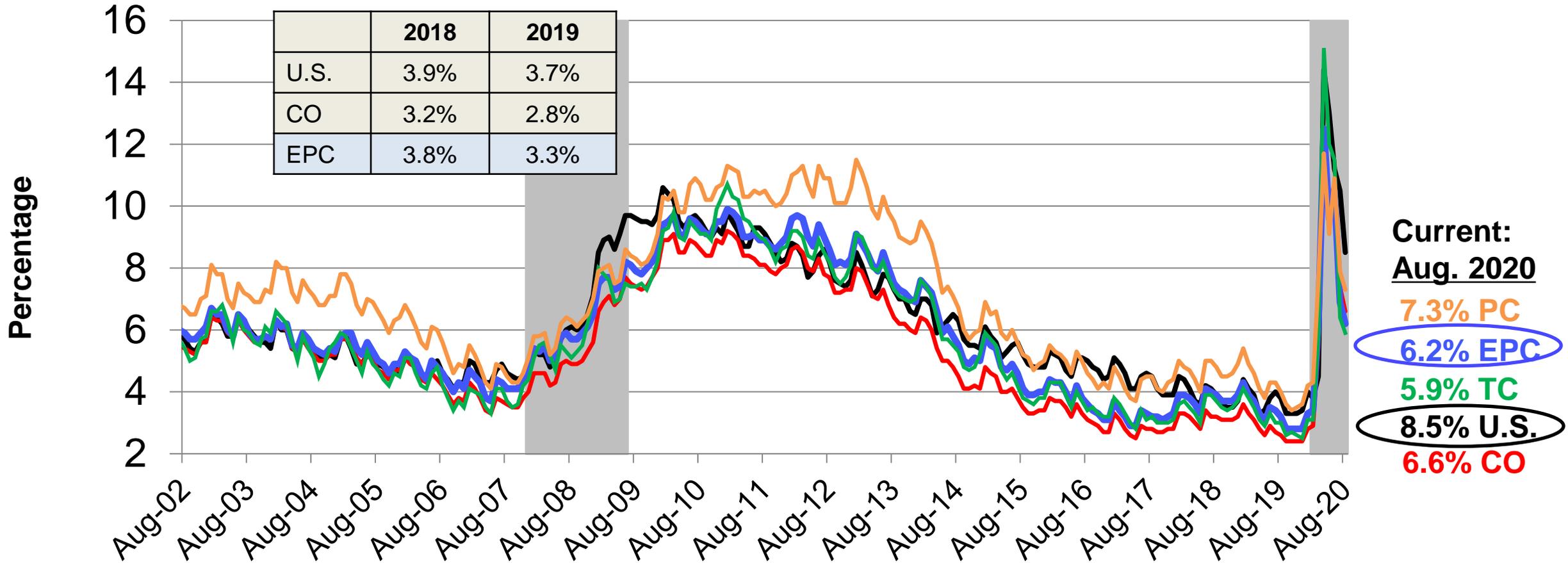


Note: Data is not seasonally adjusted.

Source: Colorado Department of Labor & Employment, LAUS: U.S. Bureau of Labor Statistics

# *Local Employment*

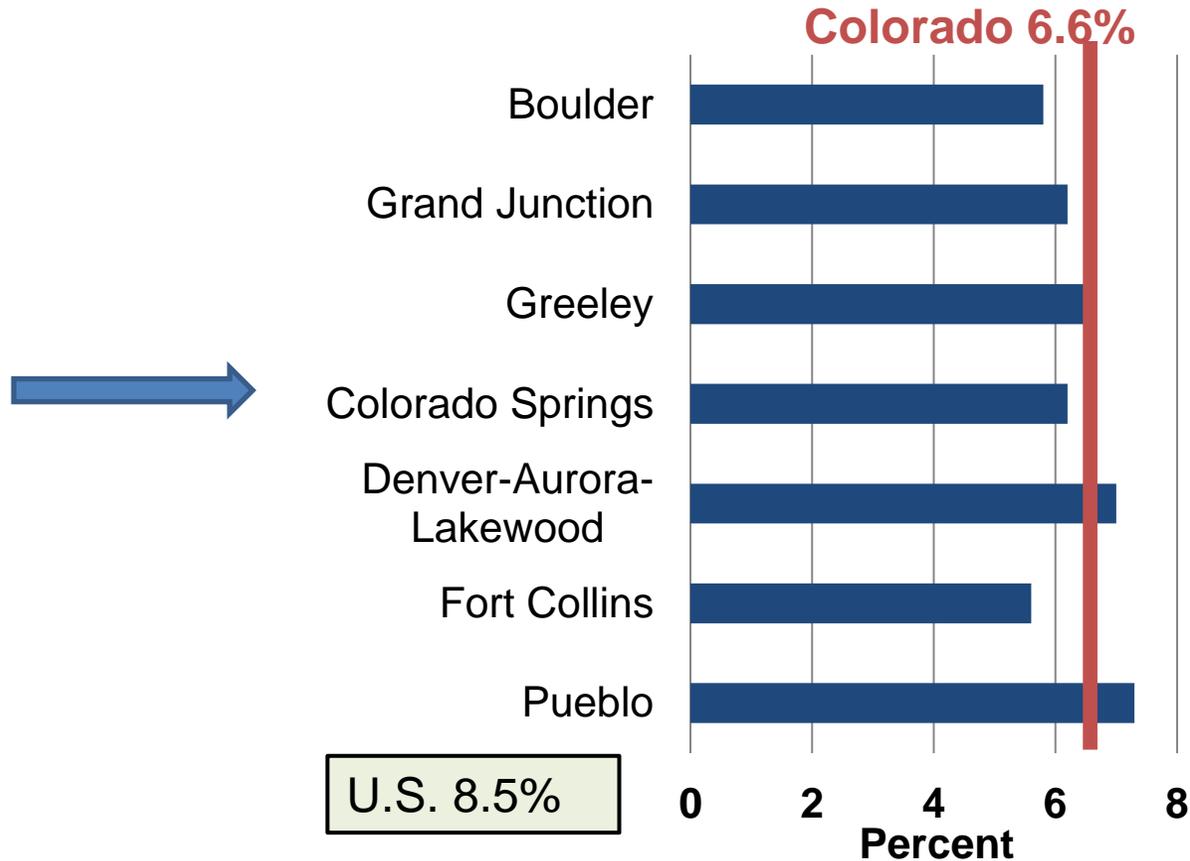
# Monthly Unemployment Rate – NSA



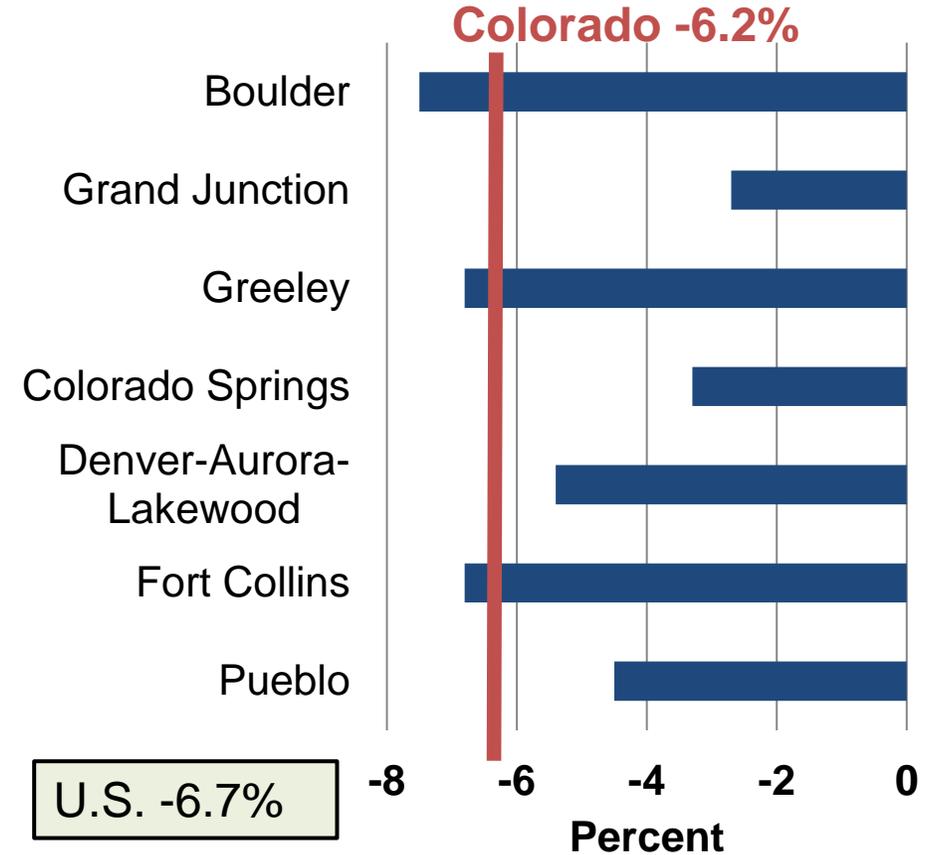
Unemployment rate is from the CPS and includes self employed. Last time EPC rate was higher than U.S. was April 2014.  
 Sources: U.S. Bureau of Labor Statistics; Colorado Department of Labor and Employment

# Regional Employment Growth and Unemployment

Unemployment Rate  
August 2020



Employment Growth Rate  
August 2020 YoY



Note: All data is not seasonally adjusted.

Sources: Colorado Department of Labor and Employment, Office of Labor Market Information, LAUS

# Why Is Colorado Springs Doing Better?

Our super sectors are (nation-wide) resilient sectors

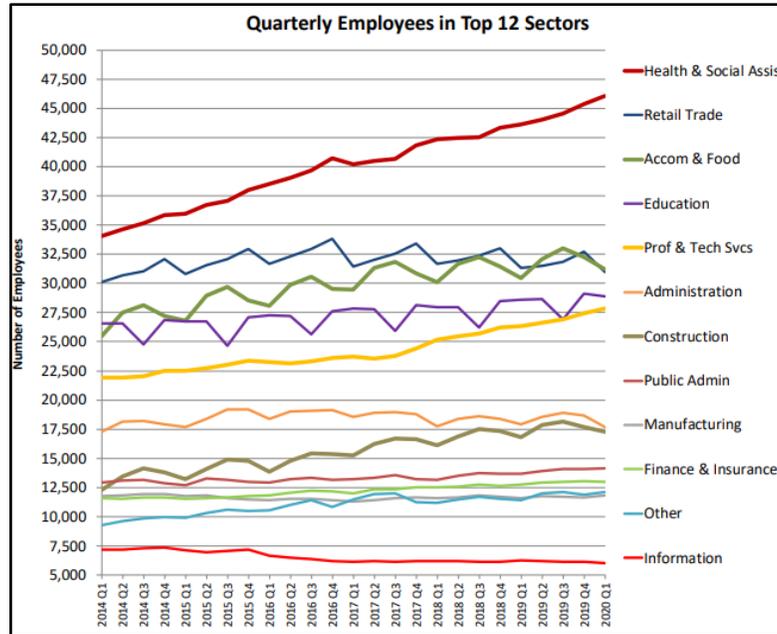
High proportion of jobs are professional (WFH); highly educ

DoD jobs were largely unaffected (higher proportion than CO and US are DoD)

Have a lot of hospitality jobs, but not as much as Denver.

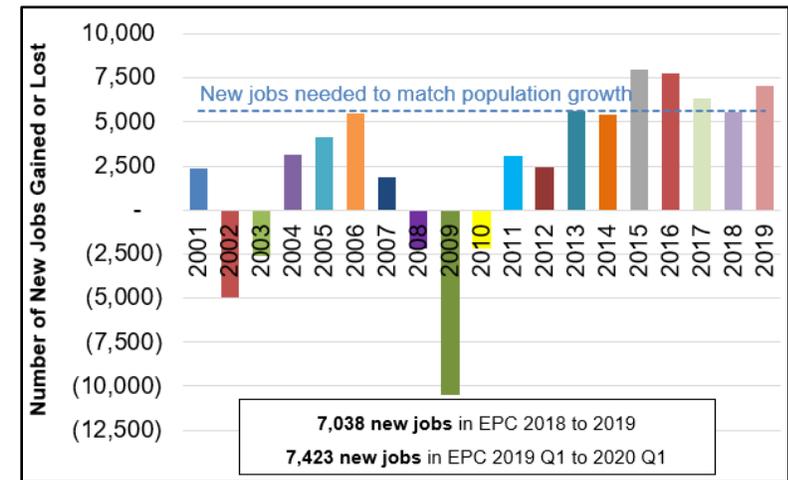
Continued in-migration

How many jobs lost?? (2020 Q2 jobs not yet released)



**Top Growing Industries from 2014 Q1 to 2020 Q1**

- Construction: +40.4%
- Health & Social Assist: +35.3%
- Prof & Tech Services: +26.8%
- Accom & Food Services: +22.5%



Source: CO Department of Labor and Employment, Quarterly Census of Employment and Wages (QCEW)

# Colorado Springs MSA, August 2020

Top Job Titles	# of Job Postings	Market Salary
Software Developers, Applications	685	\$92,580
Heavy & Tractor-Trailer Truck Drivers	592	\$58,824
Registered Nurses	542	\$58,412
Retail Salespersons	536	\$27,681
Sales Reps, Wholesale & Mfg	518	\$42,864
Computer Systems Engineers/Architects	425	\$100,081
First-Line Supervisors of Retail Sales	403	\$32,745
Managers	364	\$73,520
Customer Service Reps	356	\$28,108
Information Security Analysts	317	\$95,794

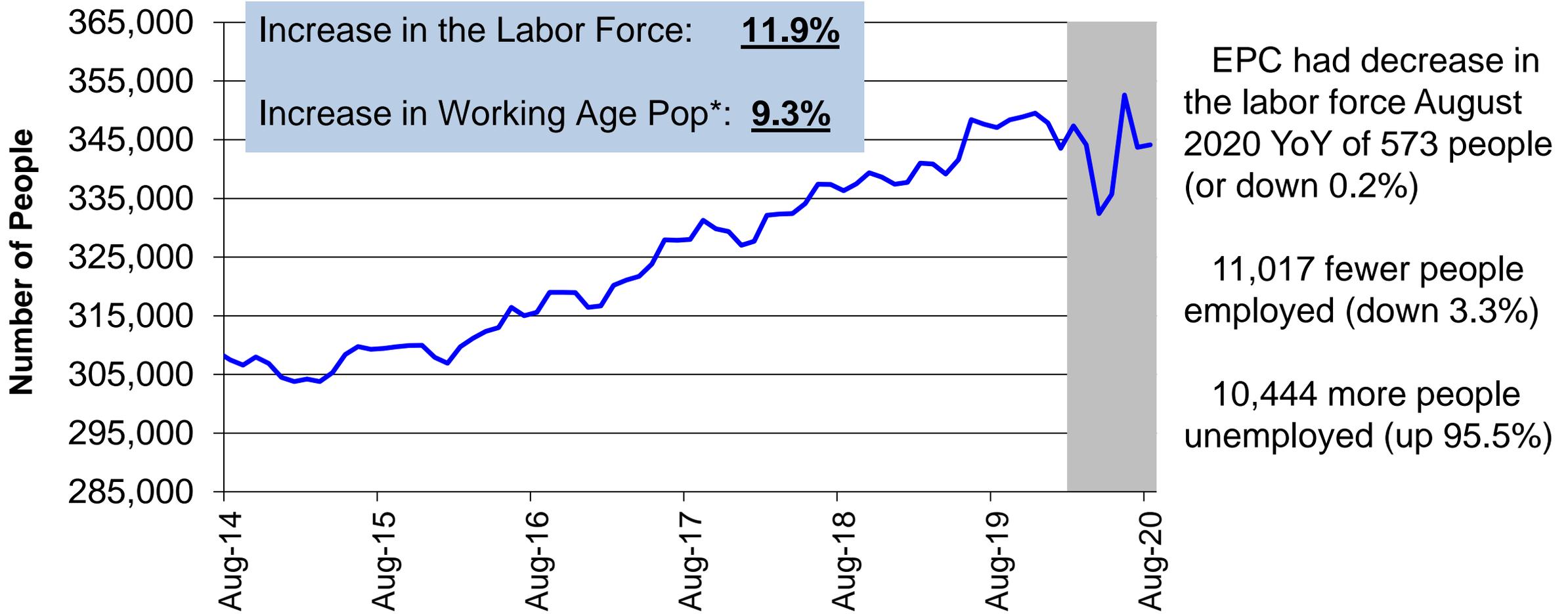
Total Job Openings: 20,954

Total Unemployed: 22,143

Workers Available per Job Opening: 1.06 (was 0.46 in January )

Source: The Conference Board® Burning Glass® Help Wanted OnLine™ via Pikes Peak Workforce Center and CO Dept. of Labor & Employment

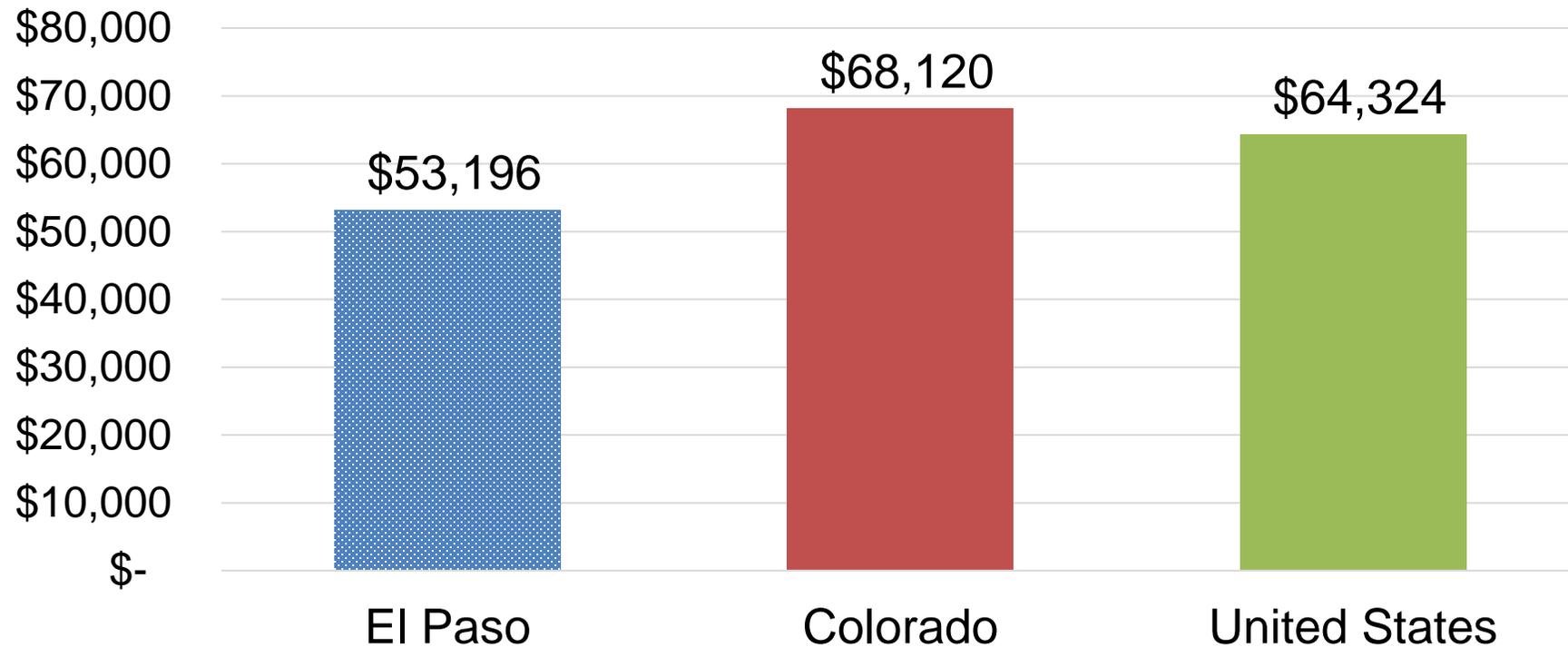
# More Recent Increase in the Labor Force EI Paso County 2014 – 2020\*



\*Ages 18-64 from 2014 – 2019. Local data available NOT seasonally adjusted.

Sources: U.S. Bureau of Labor Statistics; Colorado Department of Local Affairs; CO Dept of Labor and Employment; CO Labor Market Information

# Private Industry Average Annual Wages, 2020 Q1



El Paso County % difference from CO	El Paso County % difference from U.S.
-21.9%	-17.3%

Sources: U.S. Bureau of Labor Statistics, QCEW; CO Department of Labor and Employment, QCEW

## *WAM and a WAMbassador!*

### Colorado Springs Workforce Asset Map

The Workforce Asset Map (WAM!) is a “one stop,” free, online tool that helps job seekers, employers, and students identify and easily access workforce-related resources within the Colorado Springs region.



Tamara Moore

I am a...



STUDENT



JOB SEEKER

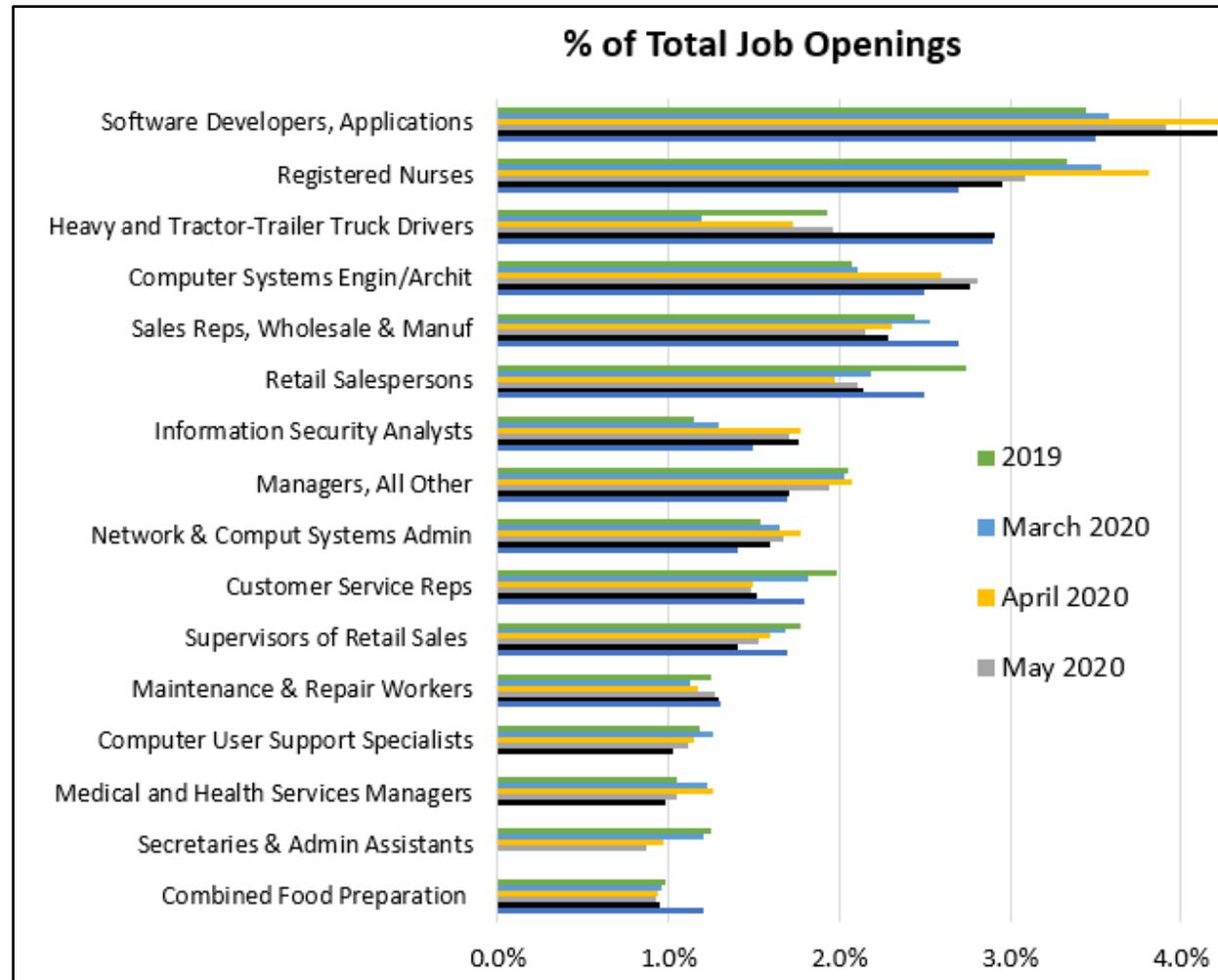


EMPLOYER

# Local Efforts to Train and Place Displaced Workers, UpSkill2020

## Strategy based on local job openings...

*..which have been persistent pre & post-COVID*

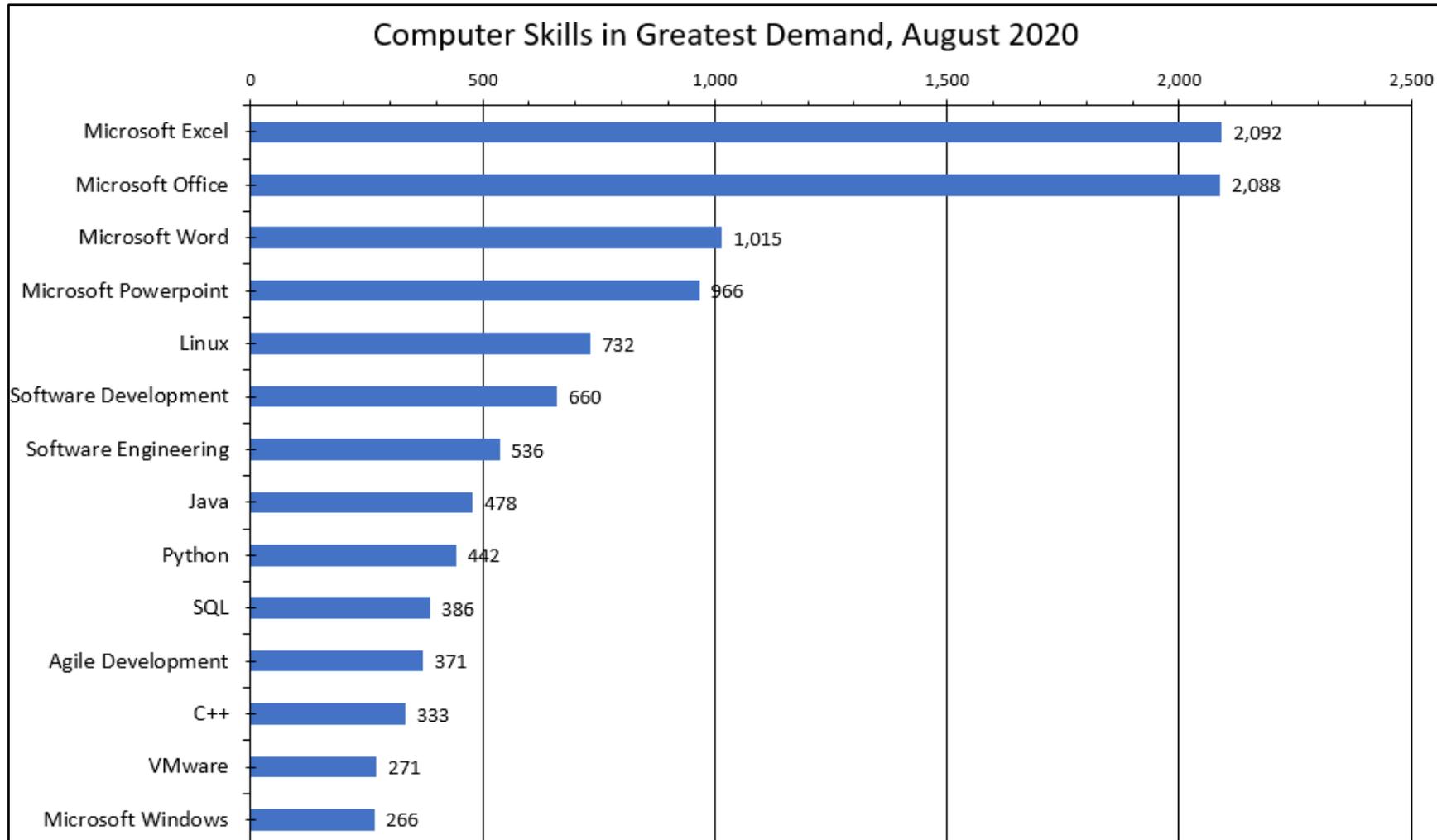


Source: The Conference Board® Burning Glass® Help Wanted OnLine™ via Pikes Peak Workforce Center

# Local Efforts to Train and Place Displaced Workers

## Strategy based on skills desired by local employers...

*..which have  
been persistent  
pre & post-  
COVID*



Source: The Conference Board® Burning Glass® Help Wanted OnLine™ via Pikes Peak Workforce

# “UpSkill2020” Program PPWFC- \$4 million from EPC CARES Act

## Phase One – Four foundational trainings for displaced workers starting October 1.

- 1) Basic Computer Skills
- 2) You Science (aptitude testing)
- 3) Bring Your A-game (soft skills training geared to young adults)
- 4) Business/Soft Skills (any age w/strong customer service & resiliency components)



*All are short-term training programs*

*All participants get job coaching*

*Starting with mailing (14,000) to high unemployment rate areas*

## Phase Two – Opening “UpSkill2020” to businesses (incumbent training)

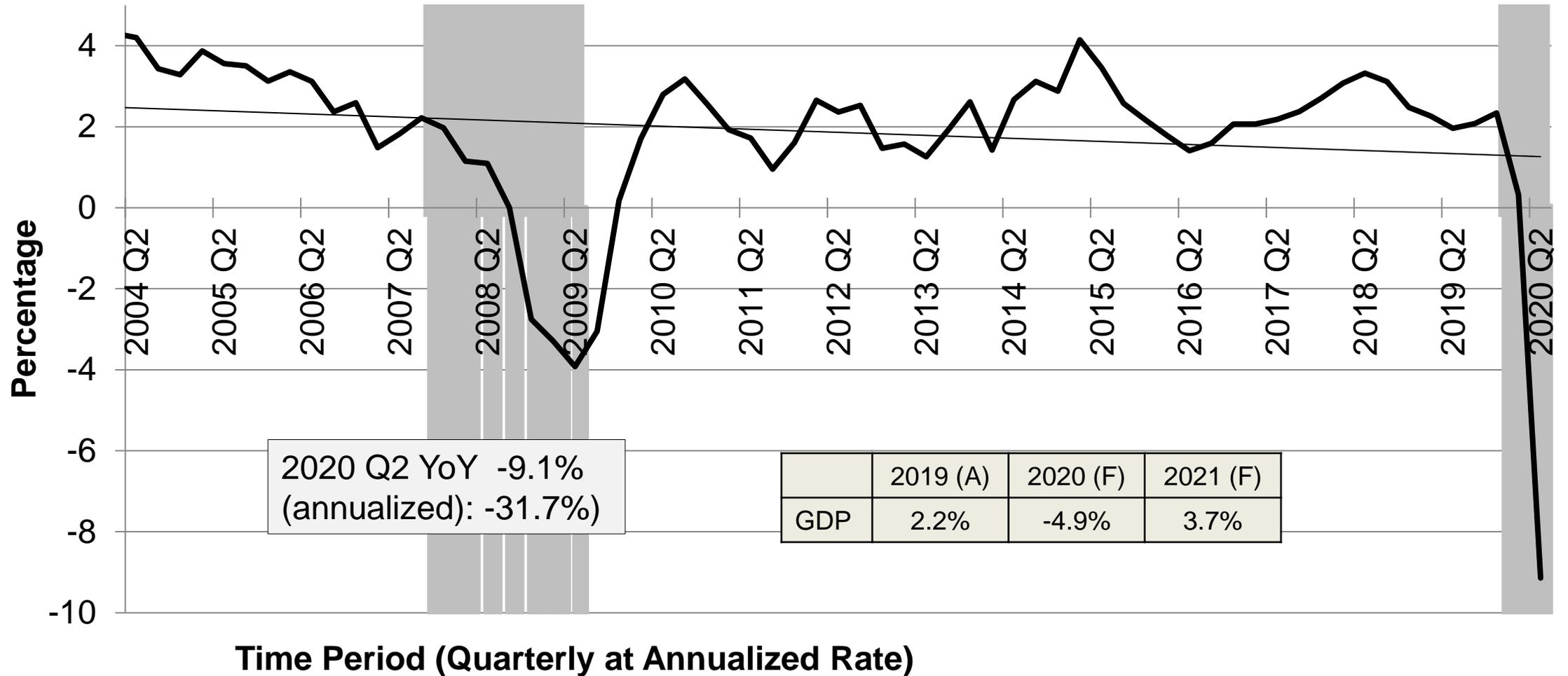
Businesses can pick and choose from components (#1 – 4 above) – FREE  
PPWFC will be adding more trainings

*“UpSkill2020” will continue beyond COVID-19*

# **GDP – The Macro Picture**

*Where Jobs, Businesses & Government Intersects*

# Real Growth in GDP vs. Year Ago (SA)



Source: U.S. Bureau of Economic Analysis; \*GDP forecast by CO OSPB. Graph shows **seasonally adjusted data**. **WF forecast for 2020 GDP is -4.2% and 4.6% for 2021**. This recession is from the bottom up (e.g. service workers/HH consumption) and GR was from the top down (financial sector)

# Various GDP Forecasts

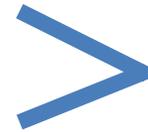
Conference Board – their actual projection (Nike Swoosh)..

Base Case 2020 GDP contraction -3.8% (annualized)\*

Q2: -31.7% (actual)

Q3: 32.9 (projected)

Q4: 1.3% (projected)



2020: -3.8%

Strong rebound in 2021 with GDP = 3.2%

0% inflation for 2020 due to muted demand, ongoing monetary support, and low oil prices

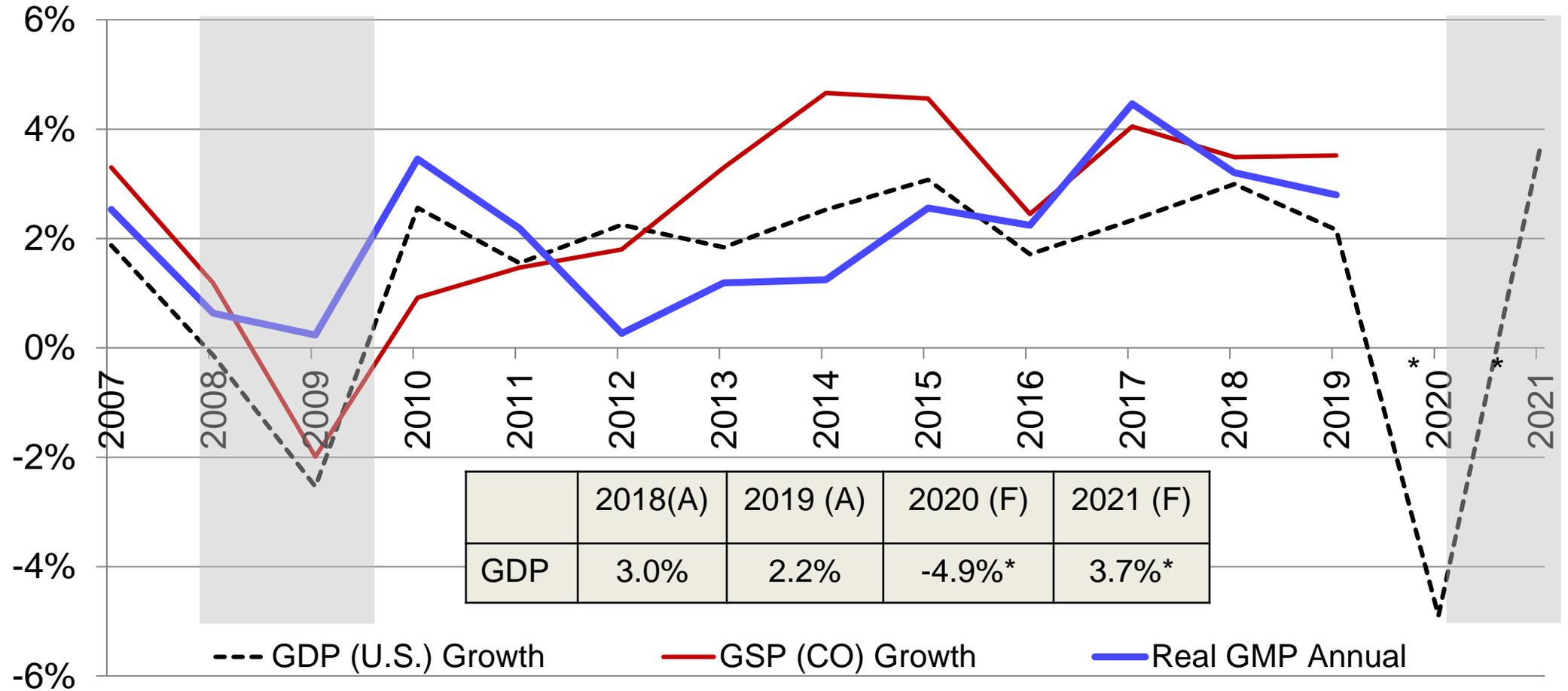
Global GDP 2020 (projected): -4.5% (~same as WF)

*I think it's anyone's guess right now*

Incorporates unemployment gap, Fed fund rate vs. natural rate, yield curve inversion, LEI, hrs. worked, & retail sales

Source: The Conference Board. \*Upside forecast has -3.2% GDP for 2020 and 6.9% for 2021. September 9, 2020 report.

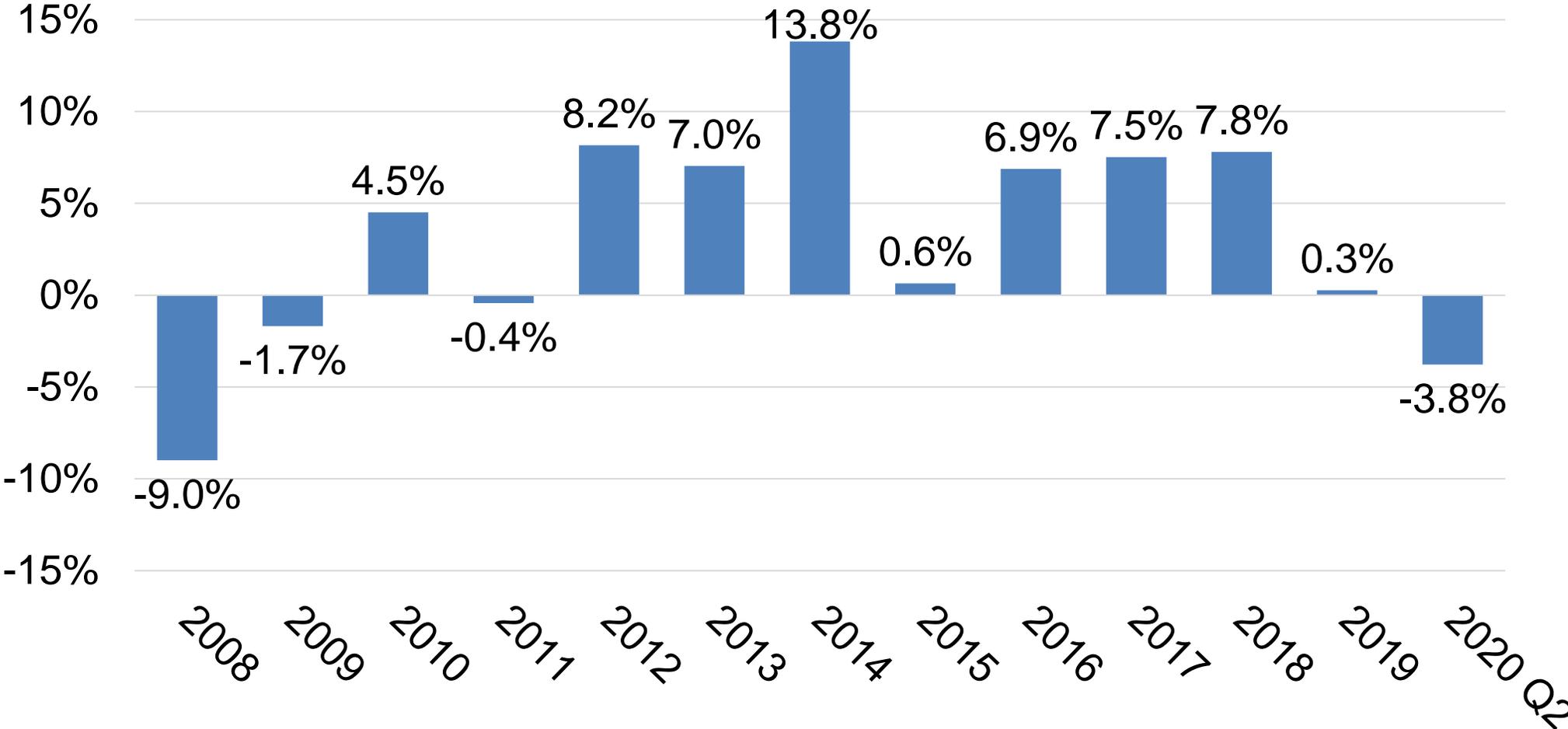
# Real Growth in Annual GDP, GSP & GMP vs. Year Ago



*Colorado and Colorado Springs usually outperform the nation. I think that will continue.*

Source: U.S. Bureau of Economic Analysis. \*forecasts by CO Office of State Planning and Budgeting. **WF forecast for 2020 GDP is -4.2% and 4.6% for 2021.**

# Change in New Entity Filings in Colorado



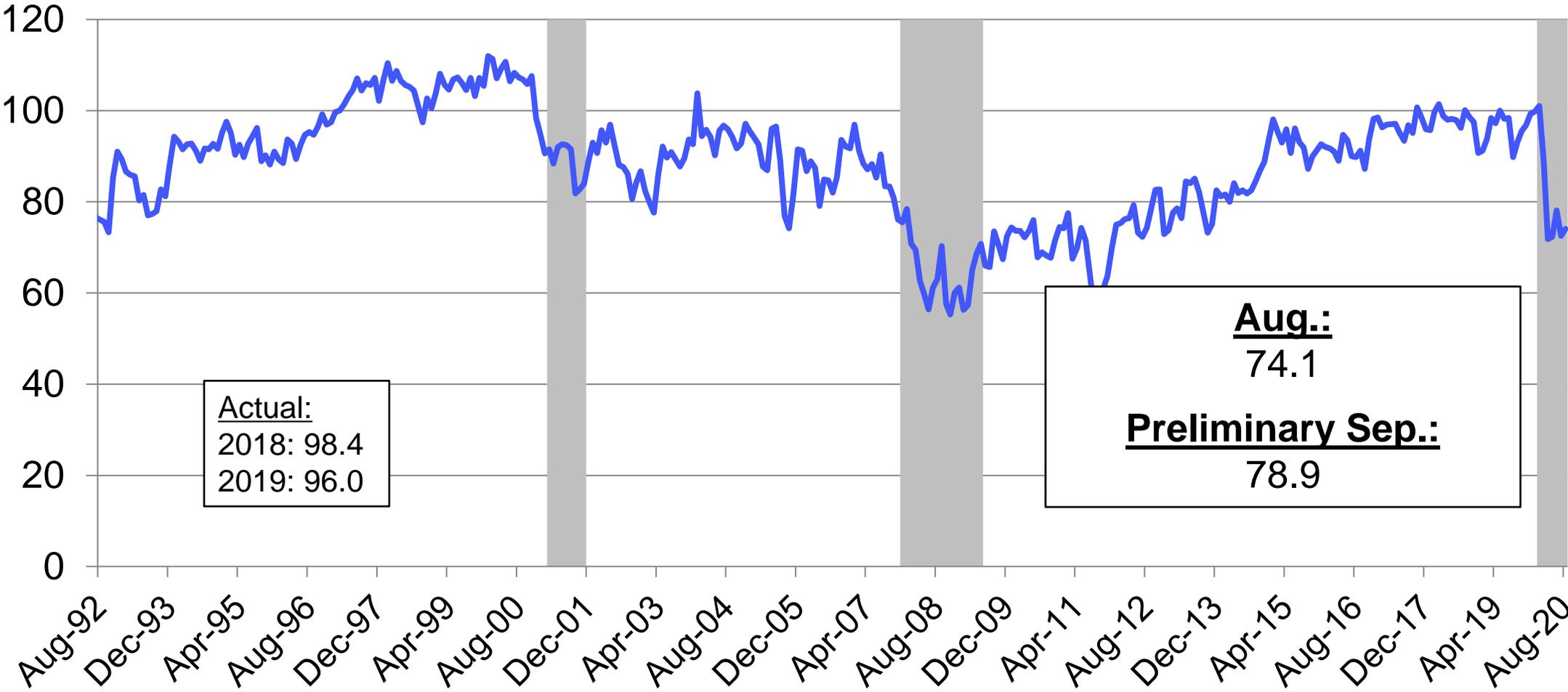
Also 5% increase in business dissolutions (Q2 YoY)

Source: Colorado Secretary of State Jena Griswold– Quarterly Business & Economic Indicators – Report for 2020 Q2 –with Leeds School of Business UC Boulder Business Research Division. \* 2020 is the first two quarters of the year. Measures are year-over-year otherwise.

*There is a difference between a **rebound** (good, but simply improvement from abysmal levels) and a true “**recovery**” where the economy is healthy again with full employment, consistent GDP growth, etc..*

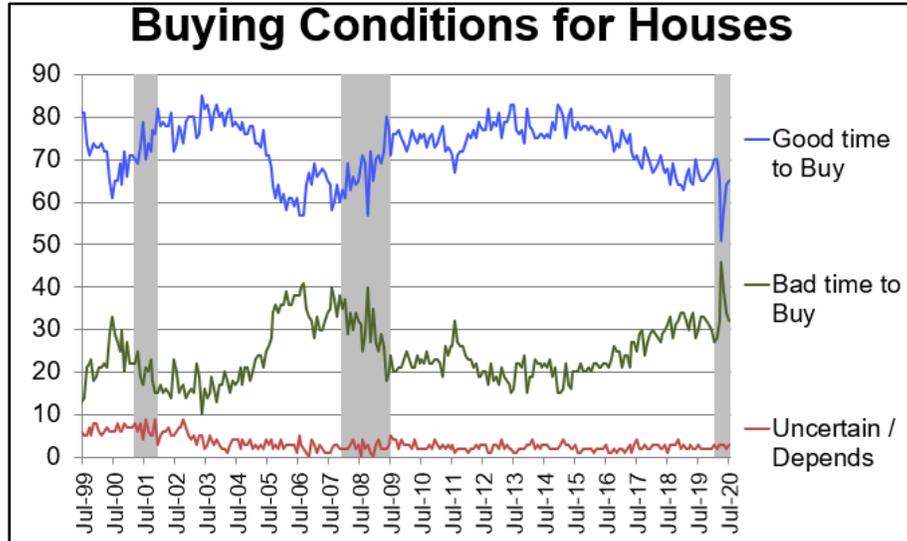
*With record number business deaths and only about 50% of U.S. jobs regained, we need **investment** that’s **innovative** in order to spark **new job creation & economic growth** in order to create a true “recovery.”*

# University of Michigan Consumer Sentiment



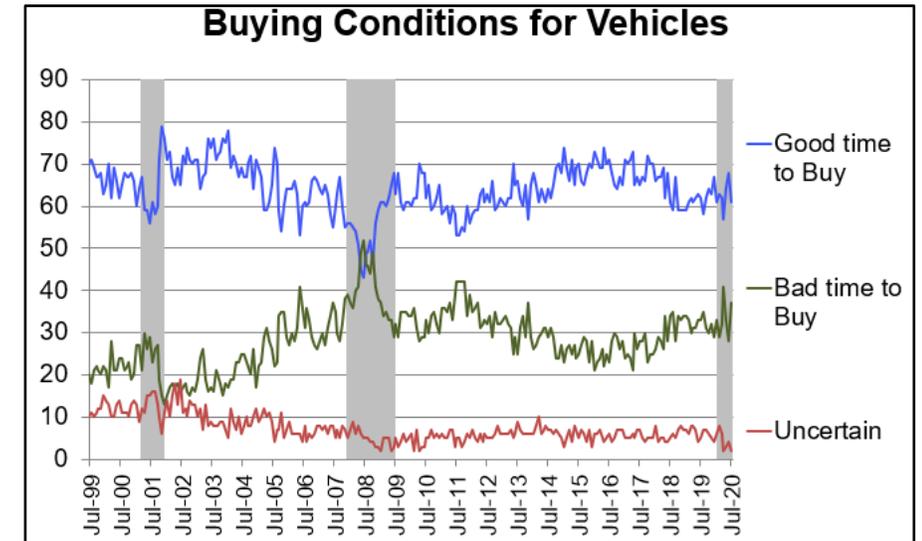
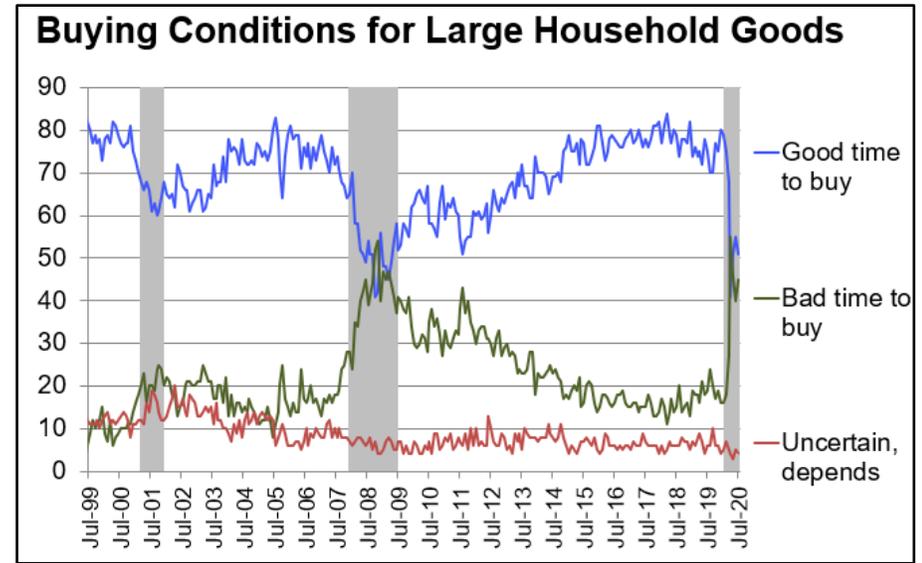
Source: University of Michigan, Survey of Consumers. **Confidence now is not as low as depths of Great Recession.**

Buying conditions for large HH items -  
 “bad time to buy” sharply up →



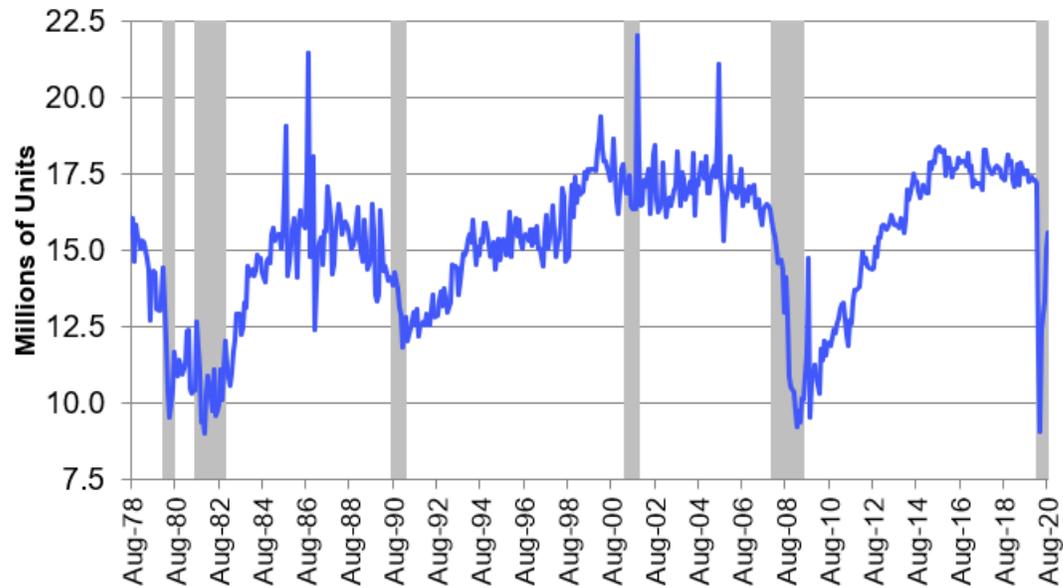
Home buying is  
 the big surprise  
 of this crisis era.

Vehicle buying conditions flat at  
 2018 levels but demand likely to stay  
 steady (mobility report) →



Source: University of Michigan Wolverines

# Total Vehicle Sales



Source: U.S. Bureau of Economic Analysis

Actual U.S. auto sales down 10% from early 2020\* ...



..but if preferences away from public transit are long-term, demand for autos may persist...



Retail & recreation

**-12%**

compared to baseline

Grocery & pharmacy

**-5%**

compared to baseline

Parks

**+69%**

compared to baseline

Transit stations

**-31%**

compared to baseline

Workplaces

**-36%**

compared to baseline

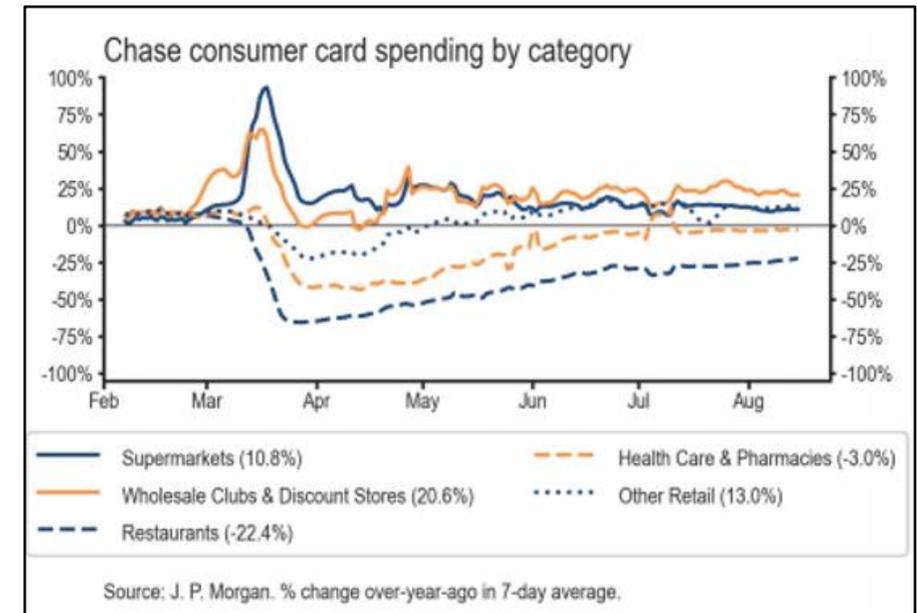
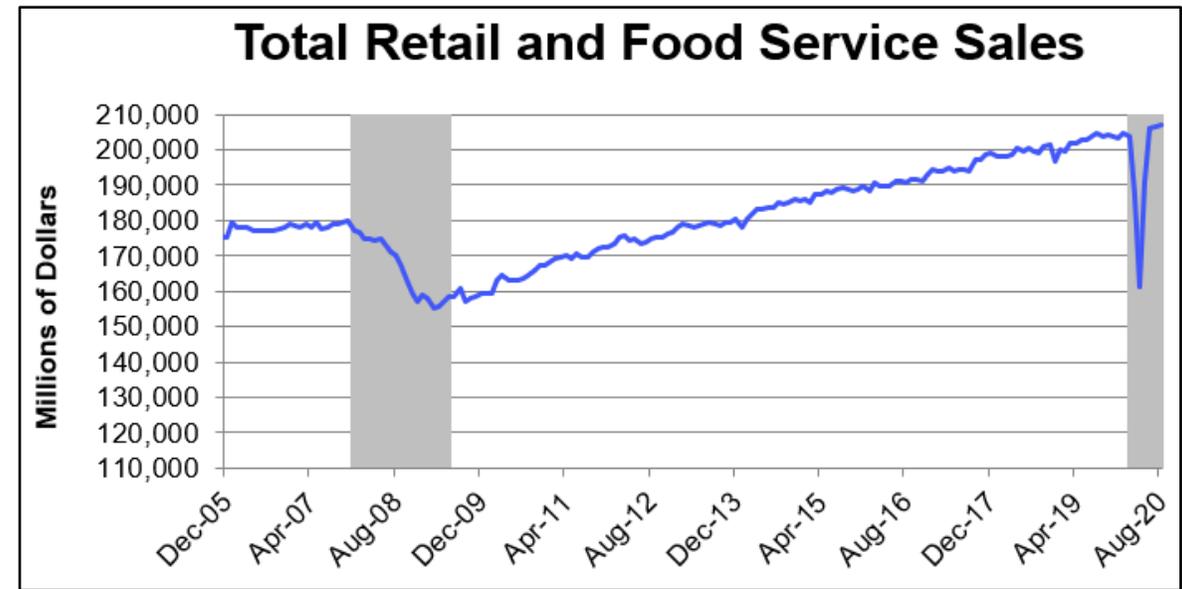
Source: Google mobility report. \*EPC vehicle registrations down 11%, but luxury utility up 10%.

Depends on winter and the virus (food services).

As of mid-July, 16,000 restaurants have permanently closed in the U.S. As of June, 400 CO restaurants have shuttered.

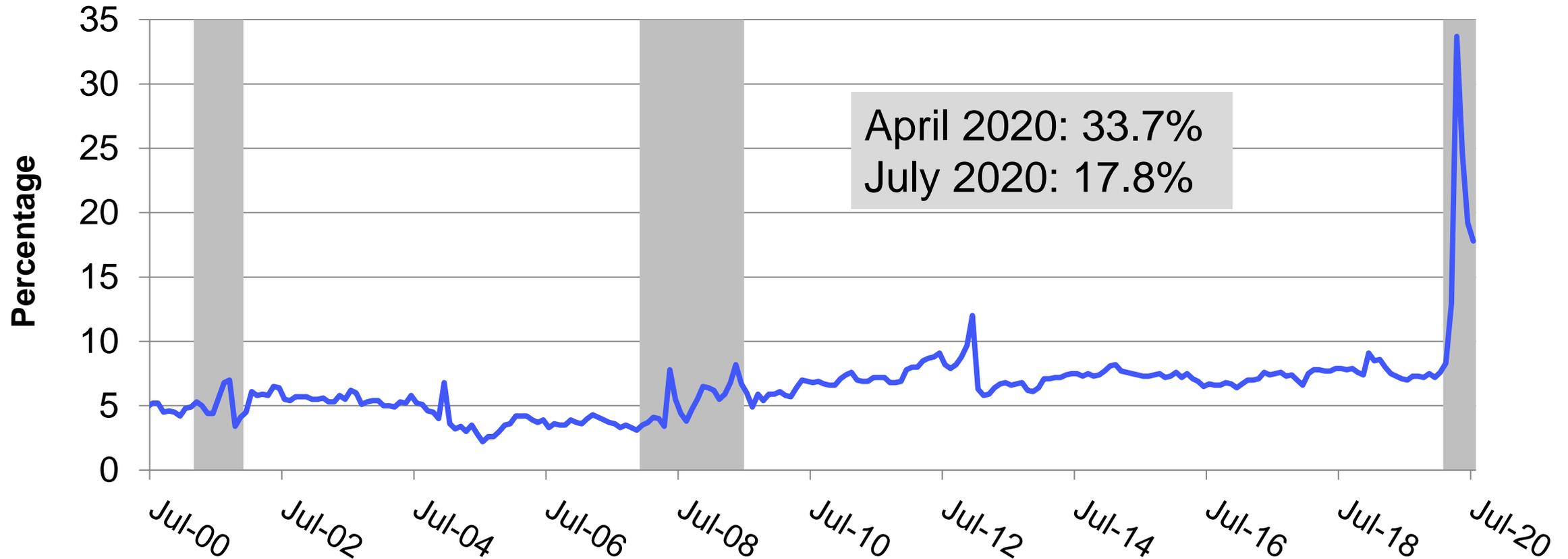
Retail also depends on virus, but a shift in preferences is likely happening (just accelerated by COVID-19). These sales are skewed by online sales.

-22% restaurants;  
+13% other retail



Sources: Federal Reserve Bank of St. Louis; Yelp Economic Impact Report; CO Restaurant Association.

# In Addition to Preferences, Exhaustion of Stimulus Spending.. Personal Savings Rate



*Quick to rise, quick to fall – fading stimulus? Need for more stimulus??*

Source: U.S. Bureau of Economic Analysis. January 2020 savings rate was 7.9%.

# Bifurcation

## Latest U.S. Census Household Pulse Survey

26% expect loss in employment income next 4 weeks

10% American adults sometimes or often not enough to eat in previous week

7% not current on their rent or mortgage payment, or have slight or no confidence in making their next payment on time

33% of these adults report eviction or foreclosure in the next two months somewhat or very likely

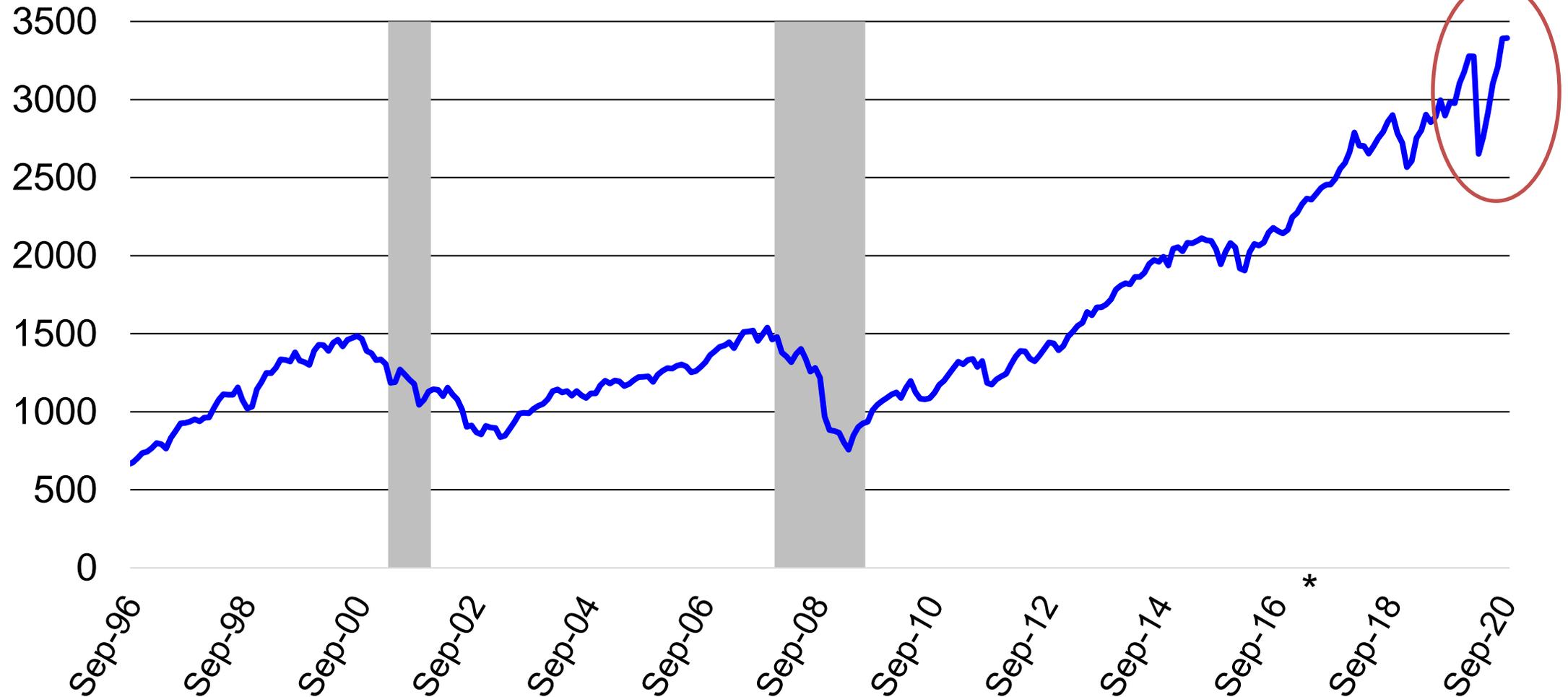
FHA loan delinquency rate in August: 16% (highest level since 1979)

Conventional loan delinquency rate 7%

*Article on bifurcation: [https://gazette.com/health/covid-19-shows-that-u-s-capitalism-needs-some-serious-tweaking-column/article\\_7c3ee254-e942-11ea-806a-278593cf3475.html](https://gazette.com/health/covid-19-shows-that-u-s-capitalism-needs-some-serious-tweaking-column/article_7c3ee254-e942-11ea-806a-278593cf3475.html)*

Source: U.S. Census Bureau, Household Pulse Survey; Mortgage Banker's Association

# Historic S&P 500 – Monthly, NSA



Note: Data is monthly averages. \*Sep-20 is through September 21.  
Source: Yahoo! Finance, S&P Dow Jones Indices LLC

# Small Business Optimism Index

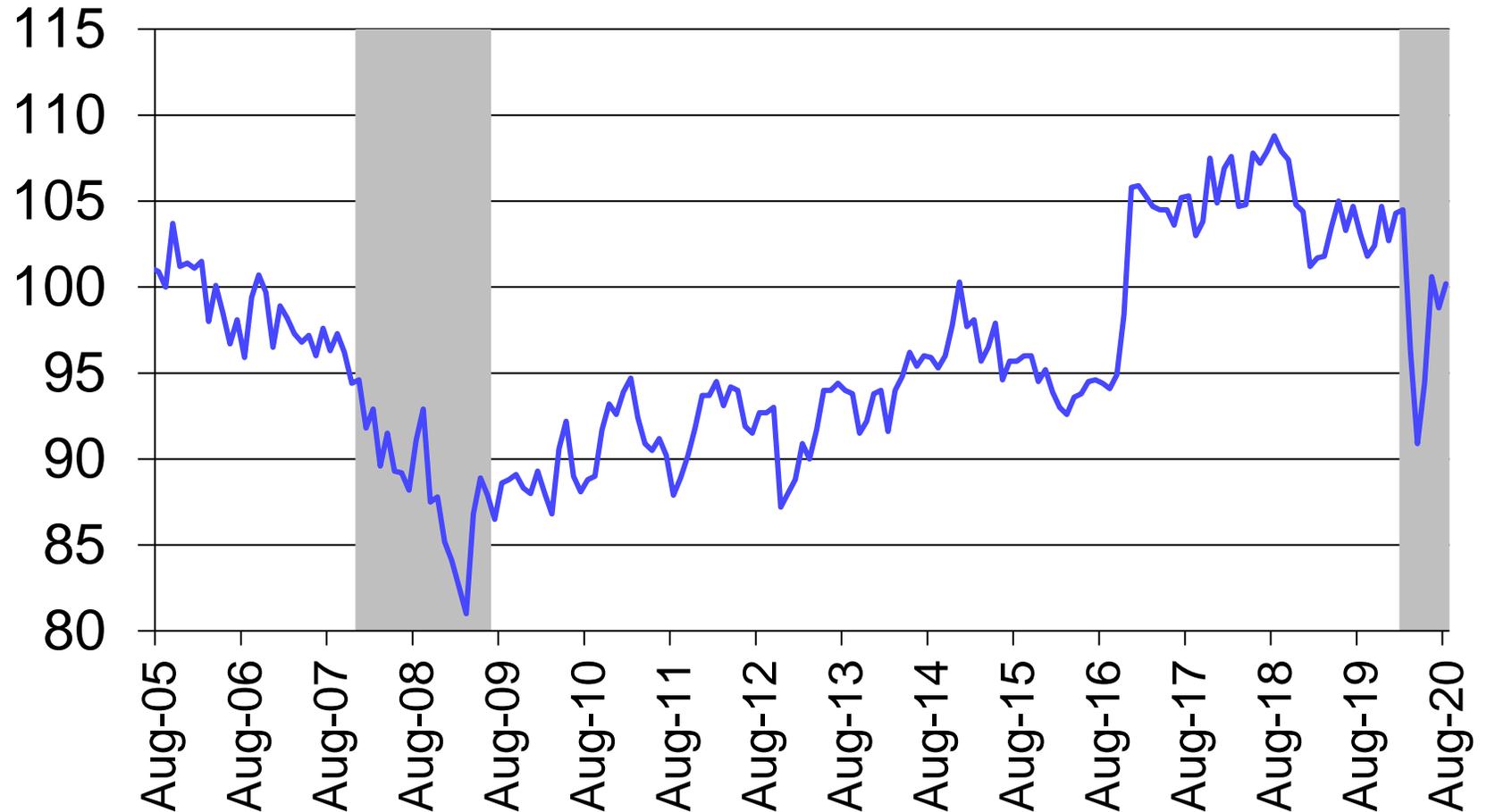
Seasonally Adjusted 1986=100

Hiring plans improved

Plans for capital spending weak (green infrastructure?)

Percentage of firms expecting economy to improve faltering.

44% believe will be more than 6 months before their businesses return to normal operations levels (42% for CO)



Source: ©NFIB Research Center, Small Business Economic Trends Report; last bullet from Census Business Pulse Survey

# *State & Local Demographics*



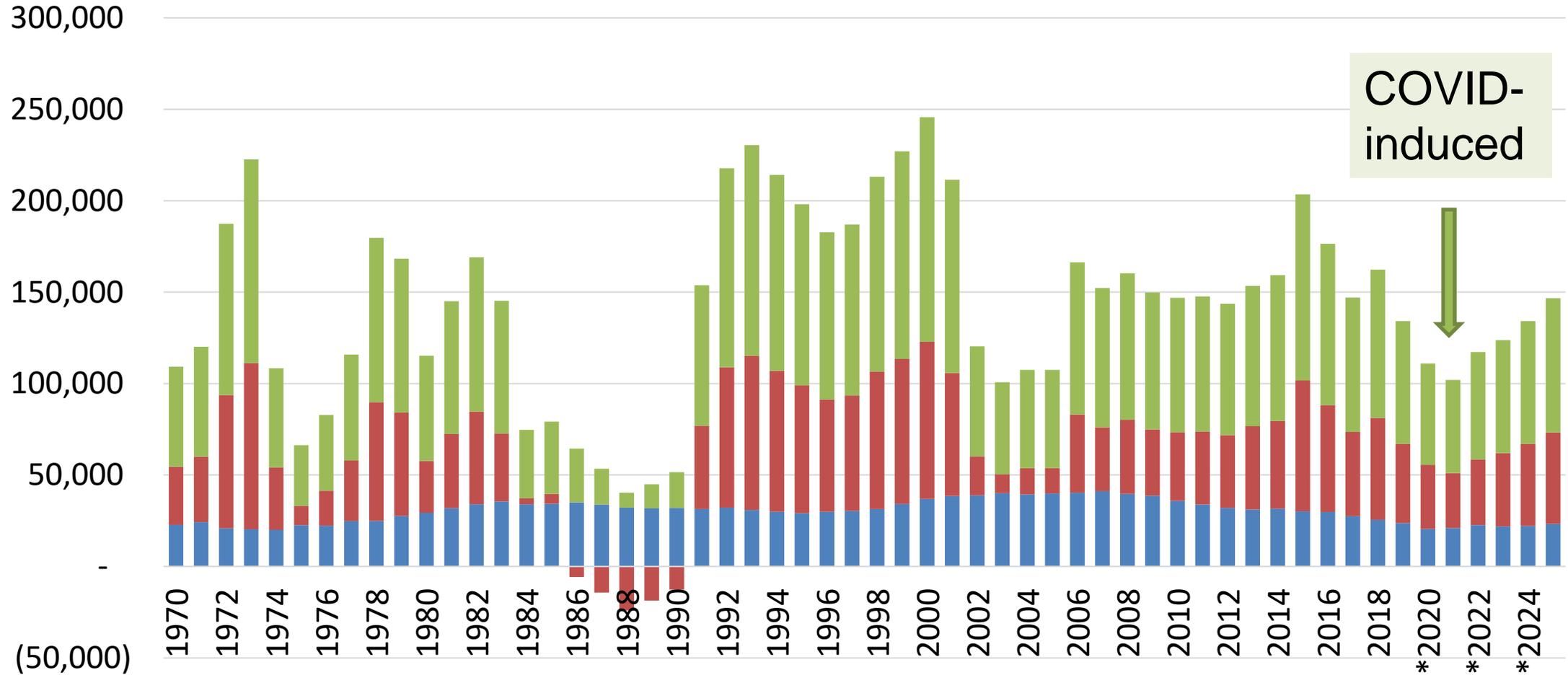
University of Colorado  
Colorado Springs



University of Colorado  
Boulder | Colorado Springs | Denver | Anschutz Medical Campus

# Colorado Change in Population – Preliminary

■ Natural Increase   ■ Net Migration   ■ Total Population



Source; Colorado State Demography Office. **Projecting about 1% growth rate for CO through 2024 (about 2X the U.S. rate)**

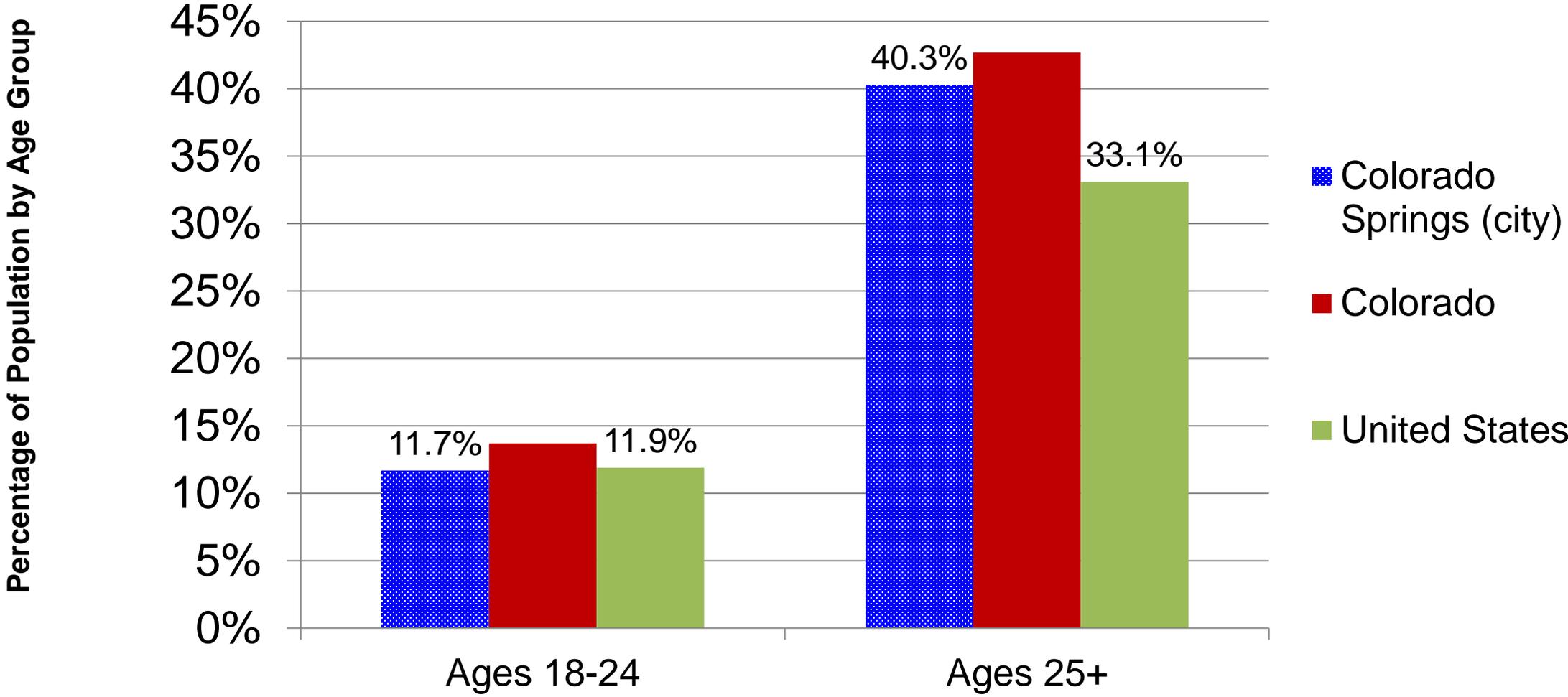


University of Colorado  
Colorado Springs



University of Colorado  
Boulder | Colorado Springs | Denver | Anschutz Medical Campus

# Bachelor's Degree or Higher in 2019



Source: U.S. Census Bureau, American Community Survey 1-year estimates

# Thoughts for Higher Education

Harvard's endowment is \$41b = more than GDP of Paraguay, Bahrain..)

(\$74k tuition, 5% acceptance rate)

Univ of Michigan's \$13b (\$16k tuition, 23% acceptance rate)

4X the endowment of MSU..

Technology and labor market needs have changed much faster than K-12 and higher ed – supply & demand out of synch.

About 50% of university-level students who enroll, do not graduate by the end of their 6<sup>th</sup> year (and after 6<sup>th</sup> year it's unlikely).

*WHAT IF* large endowment schools stood up learning centers in low-income communities in partnership with CCs?

Idea?? Part of a national stimulus is to put displaced workers into training for high demand/future jobs??

Sources: National Association of College and University Business Officers; Janet Yellen, Former Federal Reserve Chair, Brookings Institute Fellow



University of Colorado  
Colorado Springs



University of Colorado  
Boulder | Colorado Springs | Denver | Anschutz Medical Campus

# ***A Little Bit on U.S. Housing...***

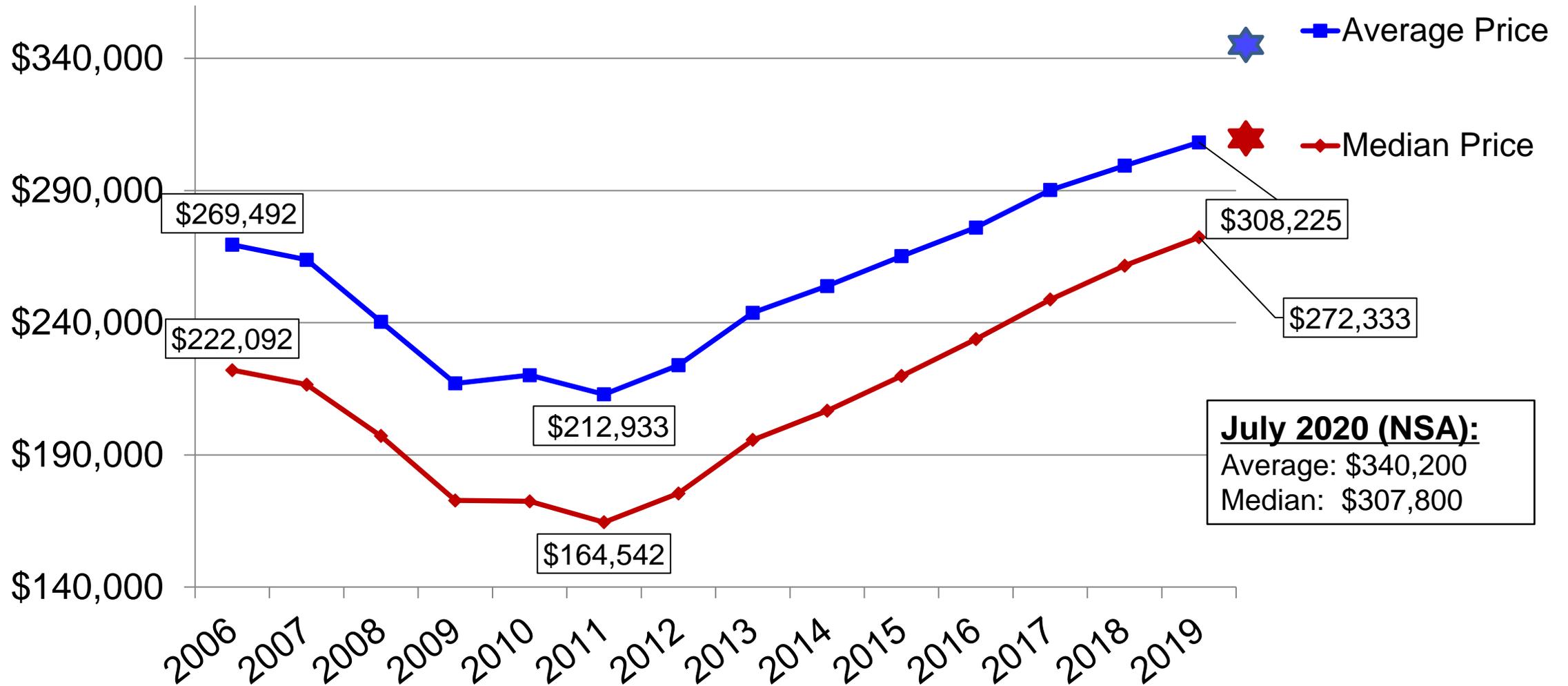


University of Colorado  
Colorado Springs



University of Colorado  
Boulder | Colorado Springs | Denver | Anschutz Medical Campus

# U.S. Annual Average & Median Existing Single-Family Home Prices



Source: National Association of REALTORS®



University of Colorado  
Colorado Springs

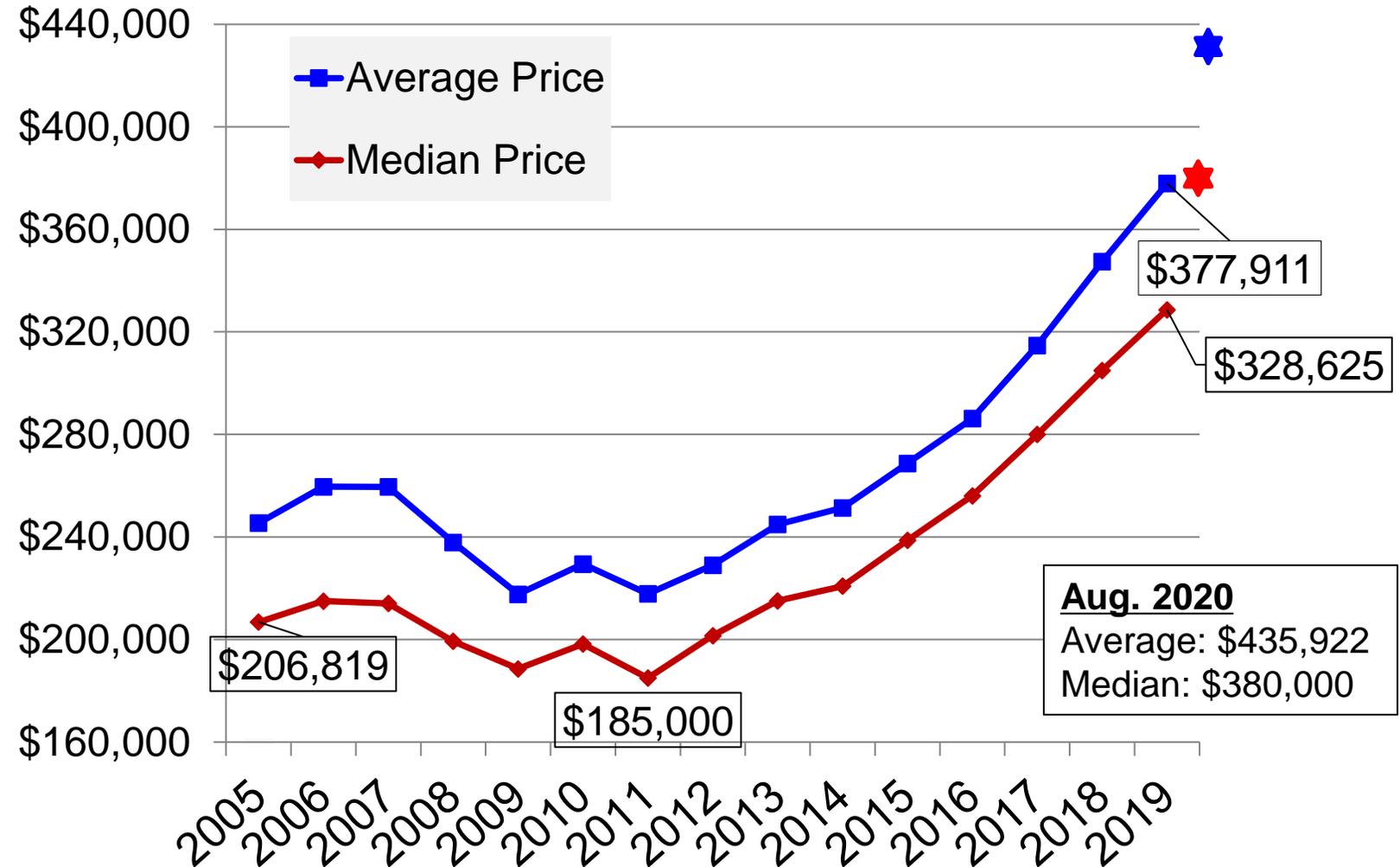


University of Colorado  
Boulder | Colorado Springs | Denver | Anschutz Medical Campus

# Pikes Peak Region Annual Average & Median\* (Single-Family) Home Prices

*In 2006, local median home price was 8% below U.S.*

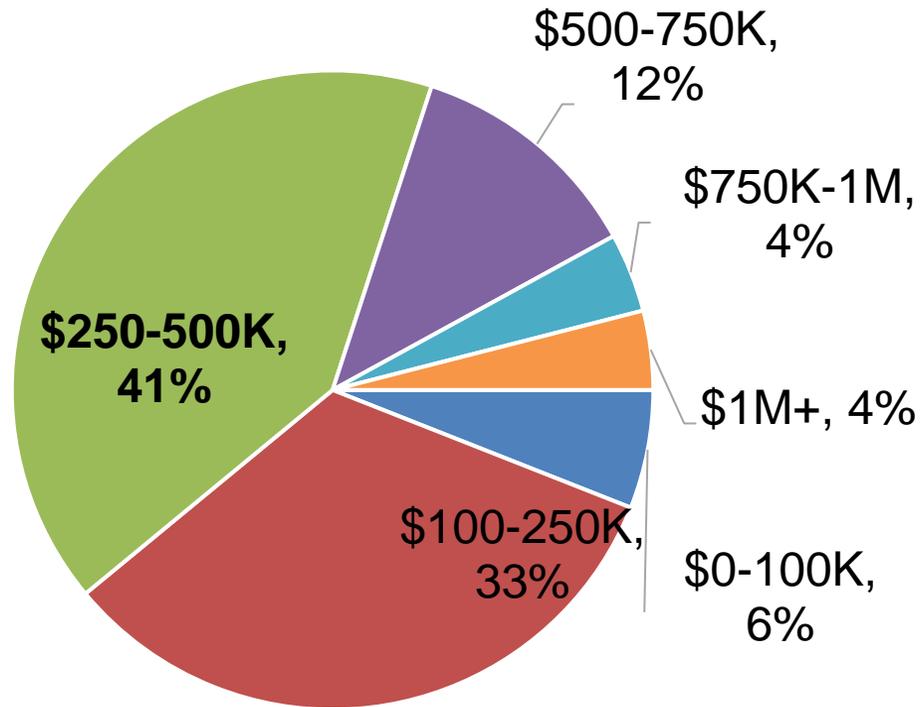
*In 2019, local median home price was 24% above U.S.*



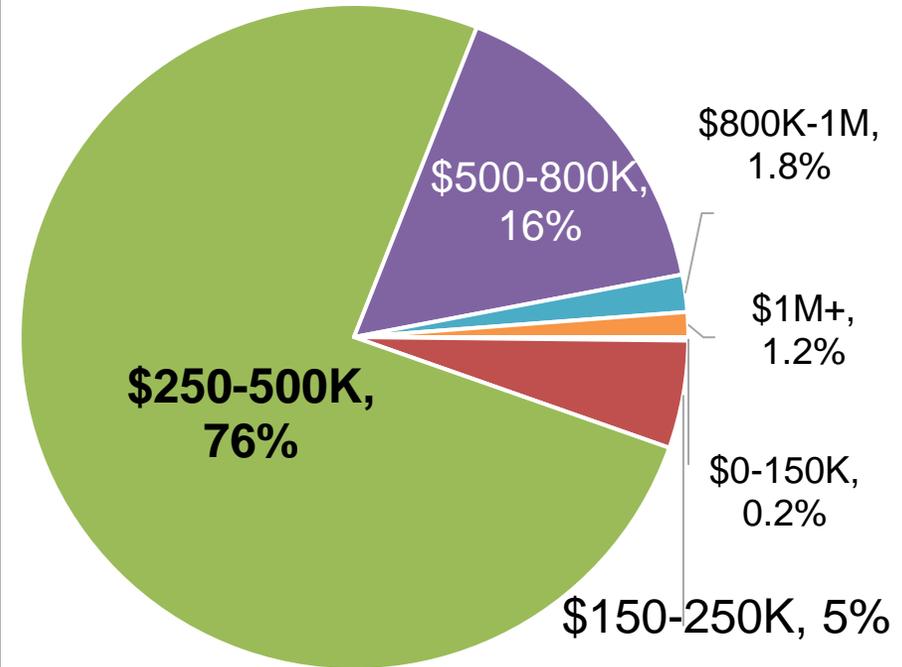
Source: UCCS Economic Forum; Pikes Peak REALTOR® Services Corp. (RSC) \*Includes all homes: new and existing.

# Home Sales Distributions

## U.S. Existing, July 2020



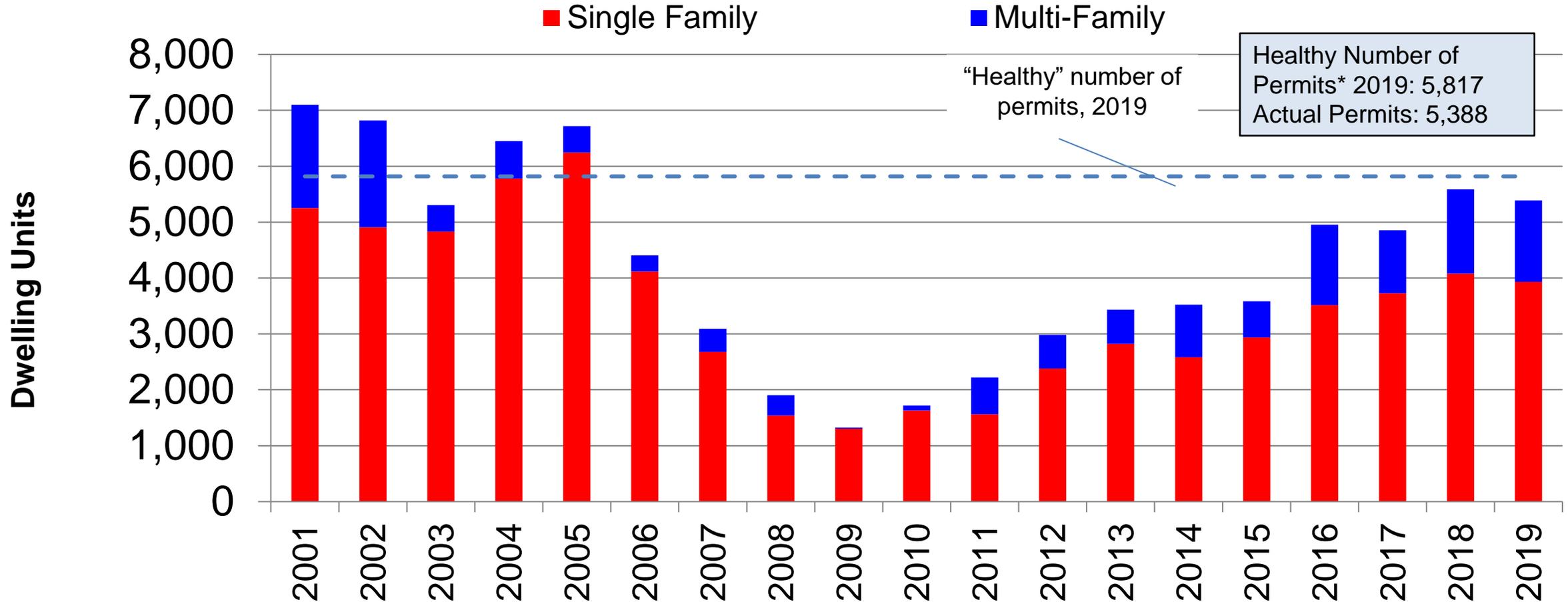
## EPC, April – Sep. 2020



Note: U.S. sales are existing only; EPC sales are for all single-family homes in the last 6 months ending September 17. Notice price categories are slightly different.

Sources: National Association of REALTORS®; Darrell Wass, RE/MAX Integrity, Inc.

# Pikes Peak Single & Multi-Family Permits



*Between demographics and low inventory, homebuilding will stay strong through 2020*

Source: Pikes Peak Regional Building Department. U.S. permits up 16% according to U.S. Census Bureau (through Aug 2020)

# Why The Surge in Home Demand (with Price Increases)?

Low interest rates; those with \$ feel secure

(\$ Secure) renters tipped over by low R

Preferences shifting – more at home time (indefinitely)? More time to actually work and play??

More time at home makes some realize they think their house is a dump

Pandemic-induced moving (financial, health, WFH, preference) – 15% of movers cite pandemic as reason for move

Low supply (down 29% from 2019 in U.S.; lowest in 20 years in CS; DoM=19)

Source: Pew Research Center, Hire A Helper, COVID Migration Report; Darrell Wass; August Zillow Real Estate Market Report



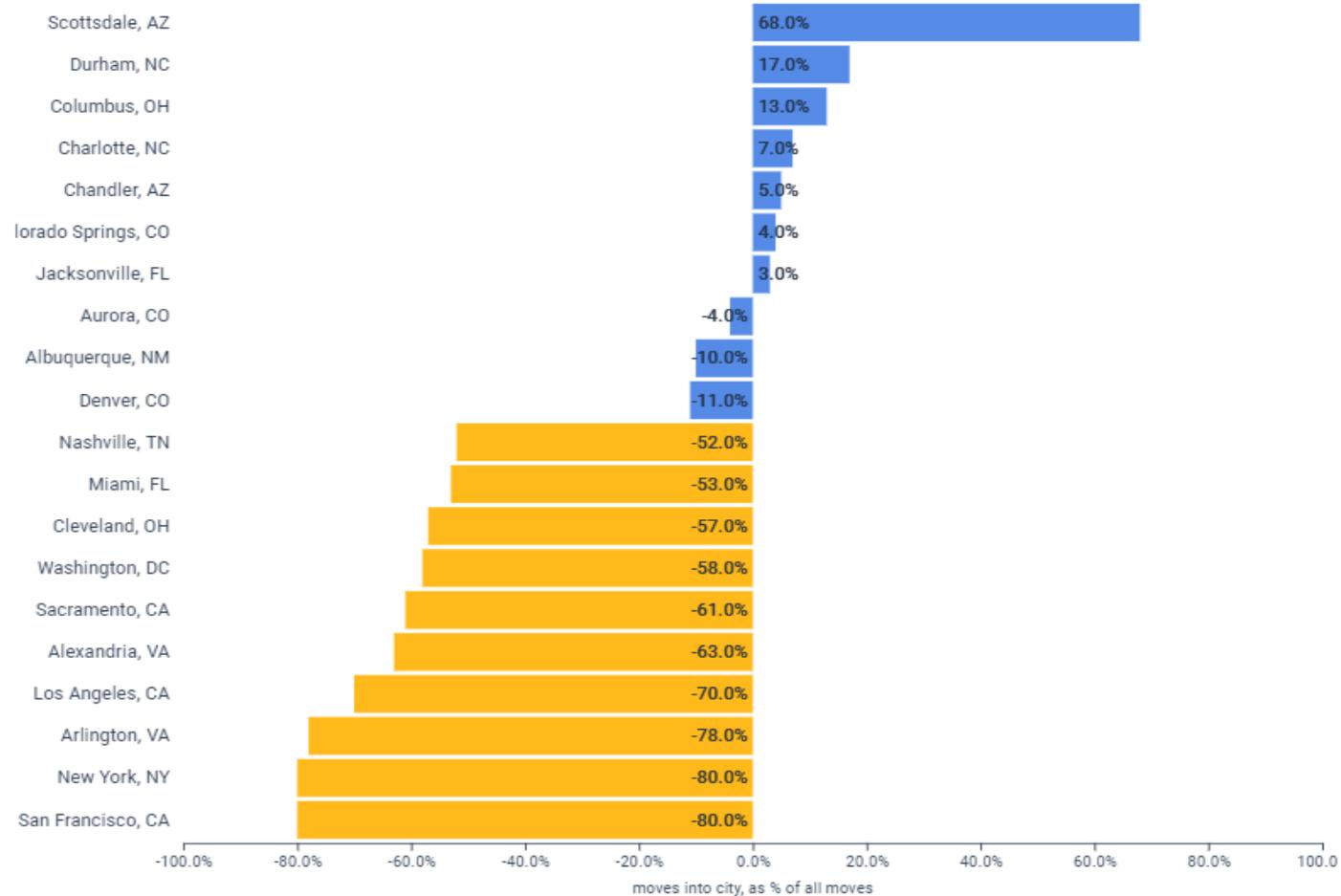
University of Colorado  
Colorado Springs



University of Colorado  
Boulder | Colorado Springs | Denver | Anschutz Medical Campus

# Net Moves by City

## The biggest gains and losses in moves since the pandemic started



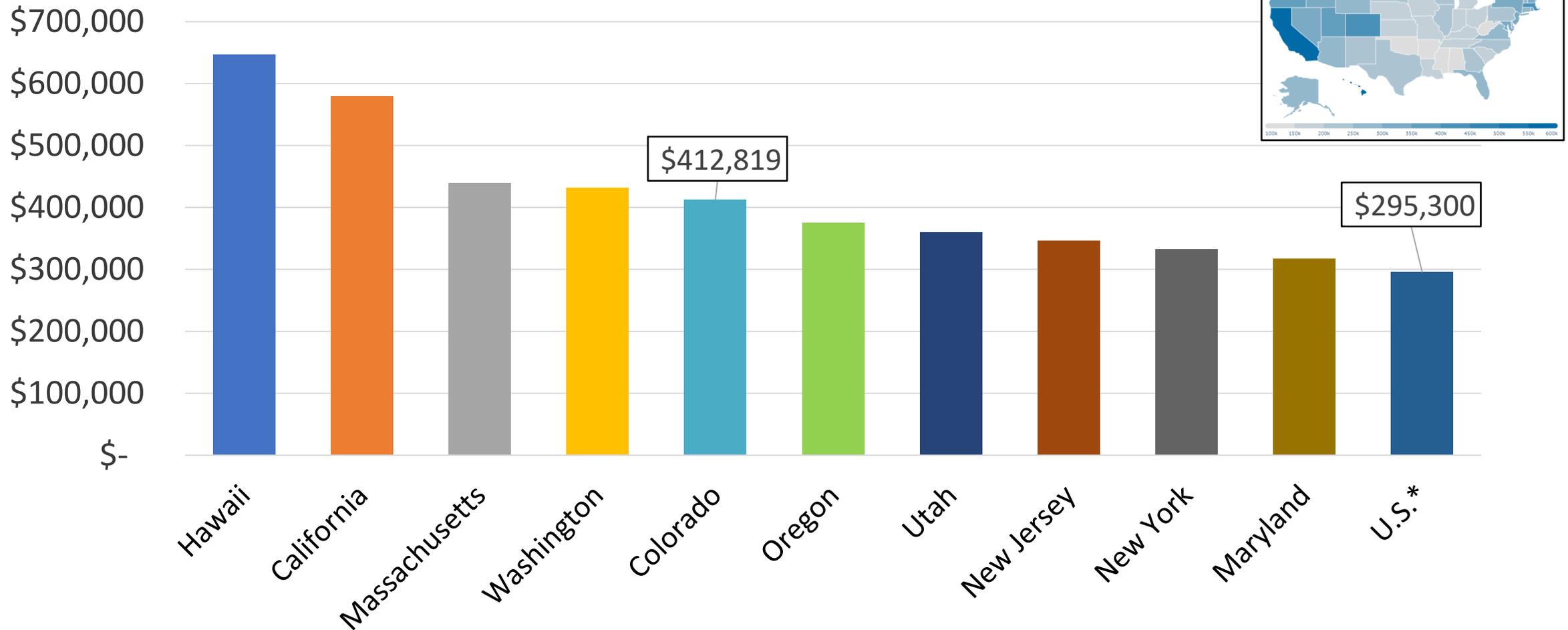
Source: HIRE A HELPER, COVID Migration Report

# Housing Affordability (back to bifurcation)



# Median Home Sale Prices – 10 Most Expensive States

## June 2020 (SA)



\*U.S. data is the median price of an existing home through the National Association of Realtors®.  
Sources: Zillow® Research through The Assent article by Amy Fontinelle; UCCS Economic Forum

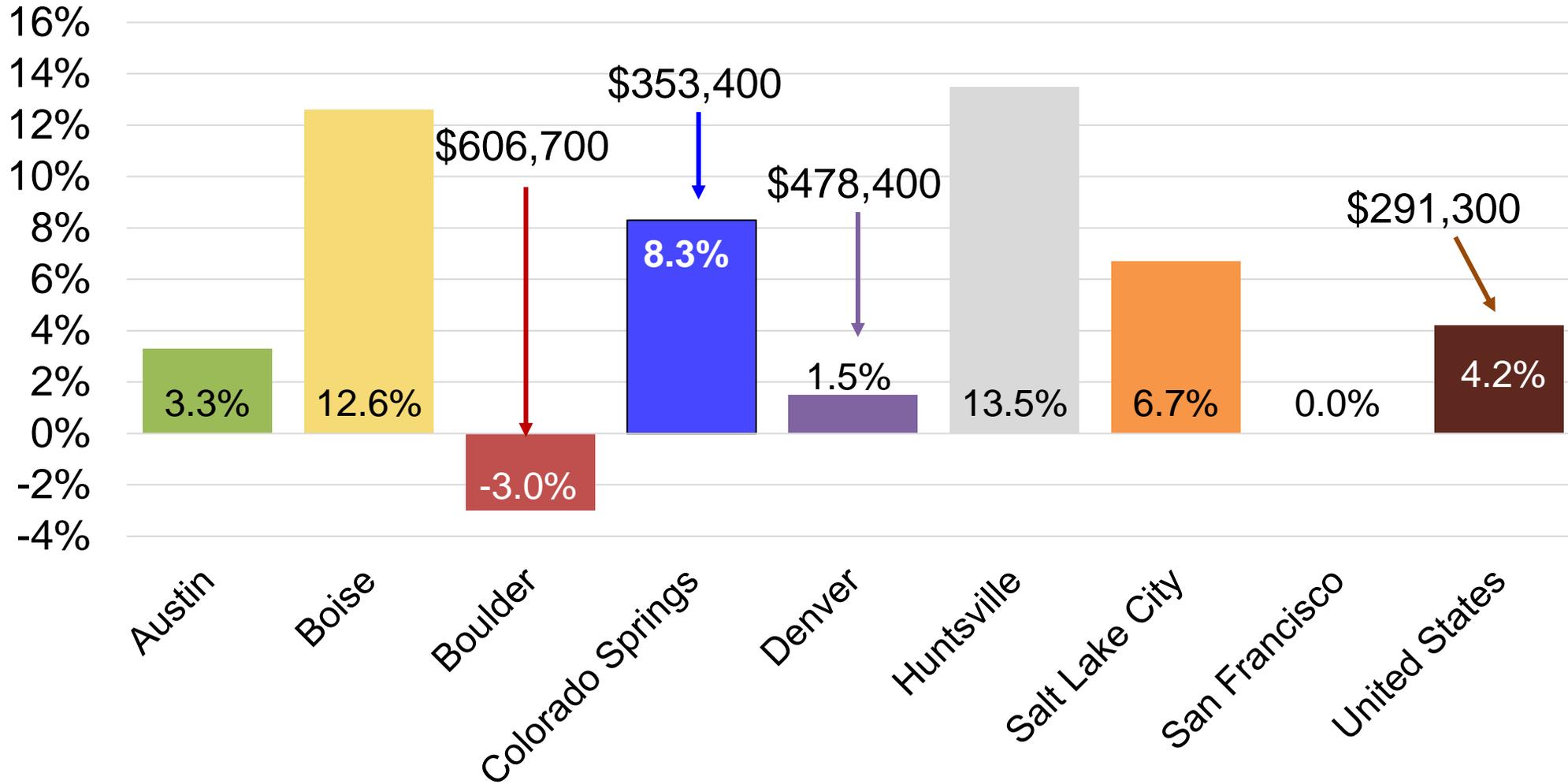


University of Colorado  
Colorado Springs



University of Colorado  
Boulder | Colorado Springs | Denver | Anschutz Medical Campus

# Annual Home Price Appreciation 2019 Q2 to 2020 Q2



Note: This data is *seasonally adjusted*. PPAR data is not seasonally adjusted. Year over year. Source: National Association of REALTORS®

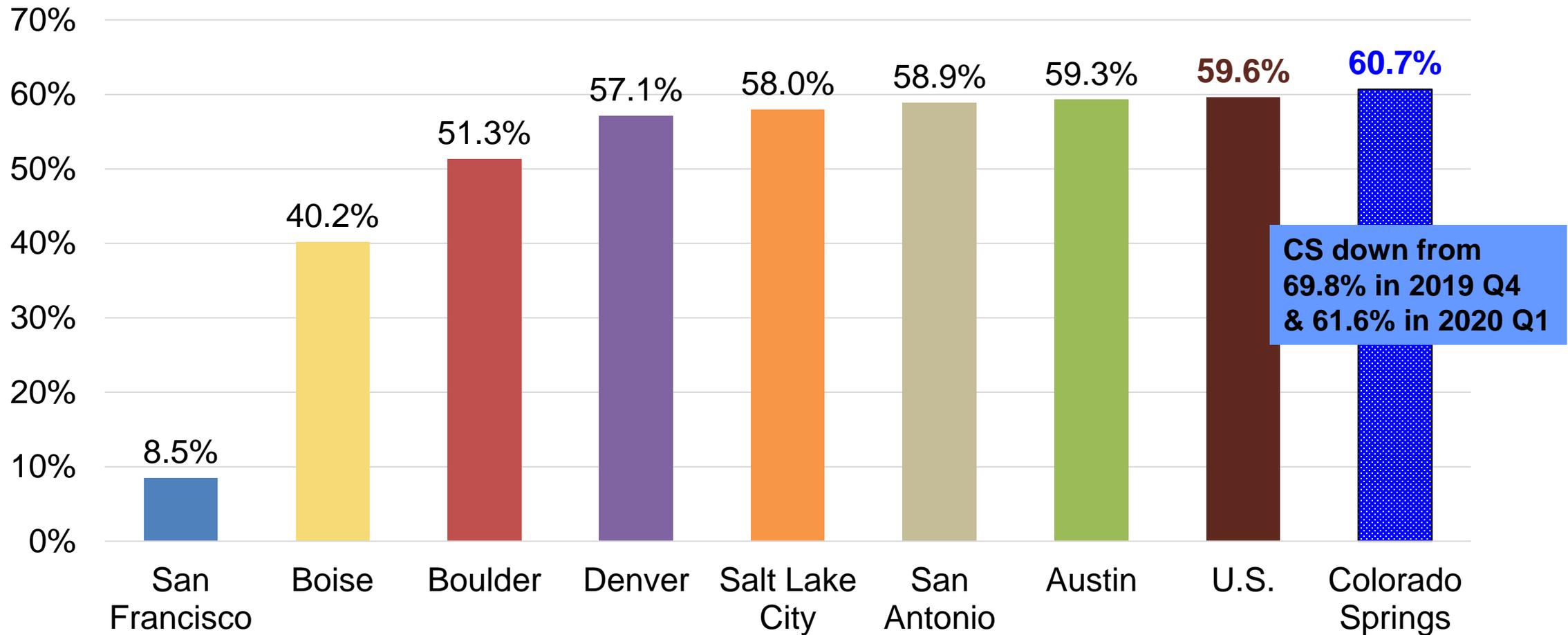


University of Colorado  
Colorado Springs



University of Colorado  
Boulder | Colorado Springs | Denver | Anschutz Medical Campus

# Housing Opportunity Index – 2020 Q2



Notes: HOI is defined as the share of homes sold in that area that are affordable to a family earning the local median income, based on standard mortgage underwriting criteria. Includes new and existing homes. Sources: National Association of Home Builders and Wells Fargo

# *Apartment Rental Market*

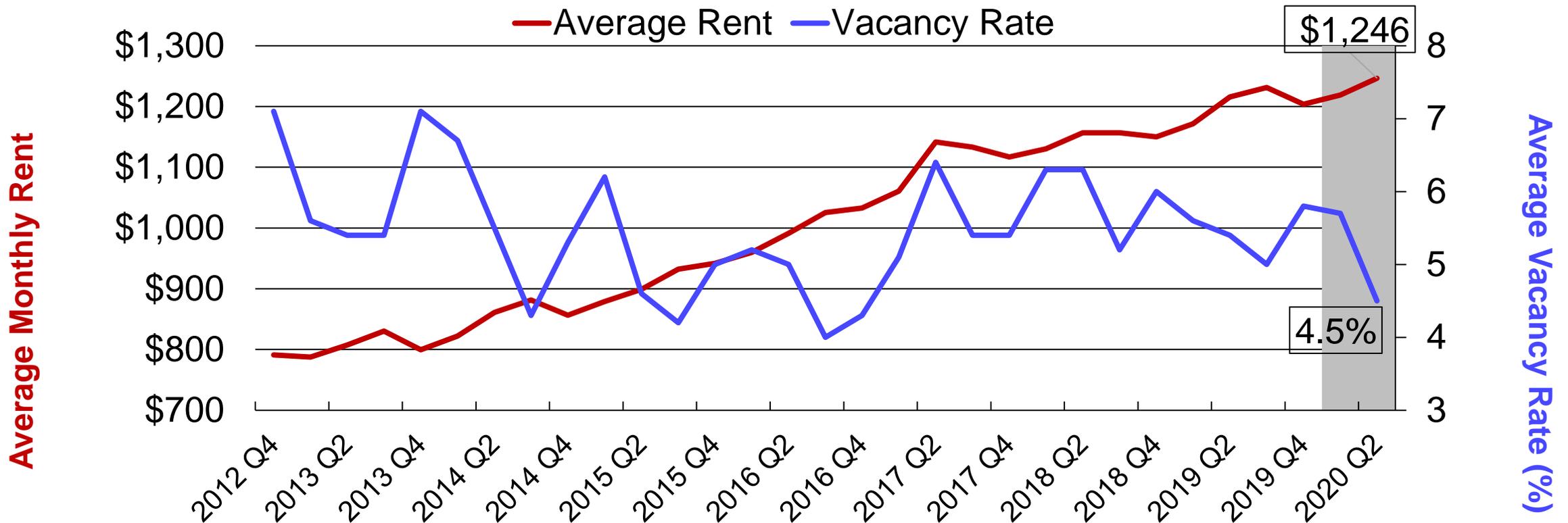


University of Colorado  
Colorado Springs



University of Colorado  
Boulder | Colorado Springs | Denver | Anschutz Medical Campus

# Multi-Family Rental & Vacancy Rates in Colorado Spring MSA



*In EPC need to make \$21.94/hour to afford a 2-bedroom apartment. (CO: \$26.45/hour.). At minimum wage (\$12/hr) need to work 73 hr/wk.*

Source: CO Department of Local Affairs, CS Metro Area Apartment Vacancy & Rent Survey. National Low-Income Housing Coalition.  
Econ vacancy rate 4.5% in 2020 Q2 (physical vac + concessions & discounts as a % of gross potential rent).

# Notes from Apartment Association of Southern Colorado\*

Demand still strong: working remotely and in-migration (incl. Denver)

CS delinquencies not high:

Large military presence with basic allowance for housing

More delinquencies in lower end units but funding available if sought out

Griffis Blessing, not going to have to evict anyone because they helped their residents use the State's POP (CO Property Owner Preservation) program.

New CDC ruling is a mess; every city/county enforcing differently. Fines are substantial so everyone is cautious. National Apartment Association just filed a lawsuit against the CDC last week.

\* Thank you to Laura Nelson, Executive Director of Apartment Association of Southern Colorado



University of Colorado  
Colorado Springs



University of Colorado  
Boulder | Colorado Springs | Denver | Anschutz Medical Campus

# Commercial Real Estate



University of Colorado  
Colorado Springs



University of Colorado  
Boulder | Colorado Springs | Denver | Anschutz Medical Campus

# (Local) Commercial Real Estate

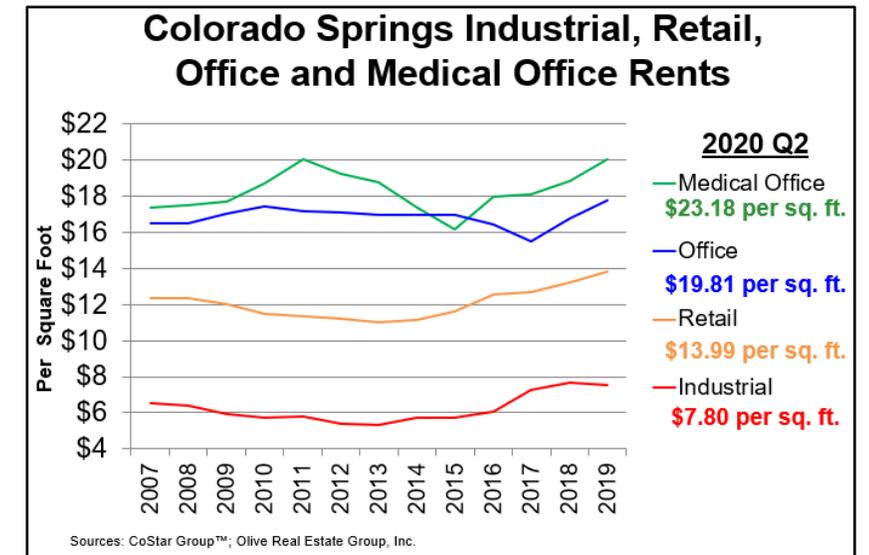
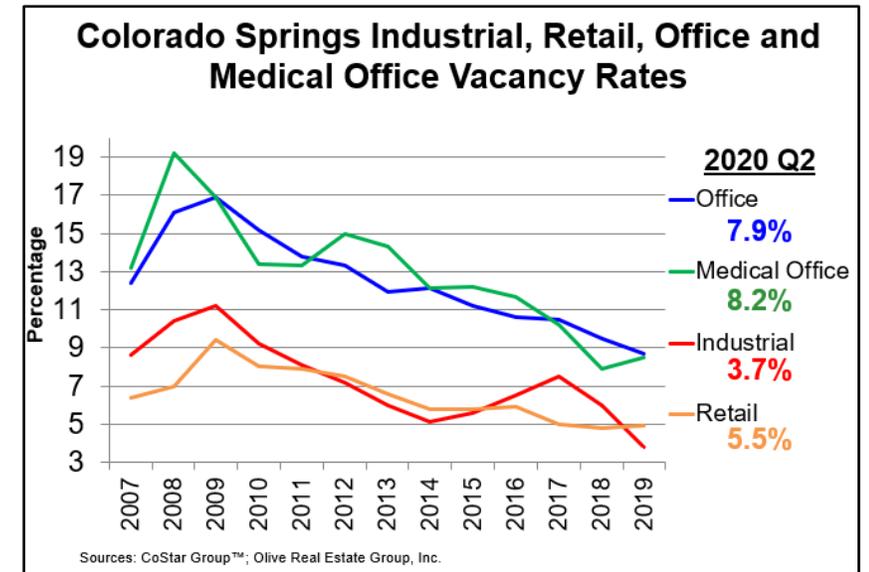
Office activity way down in CS. Uncertainty because of long-term work from home.

Expert opinion says this is short-term; not sure I agree

Industrial will stay strong; a lot of “big box” retail repurposed to distribution/construction trade centers; marijuana

Retail vacancies will continue to creep up.

2021 will not be pretty.



\*Thank you to Jim DiBiase and Ingrid Richter of Olive Realty for providing insights.

# Tourism & Our Downtown

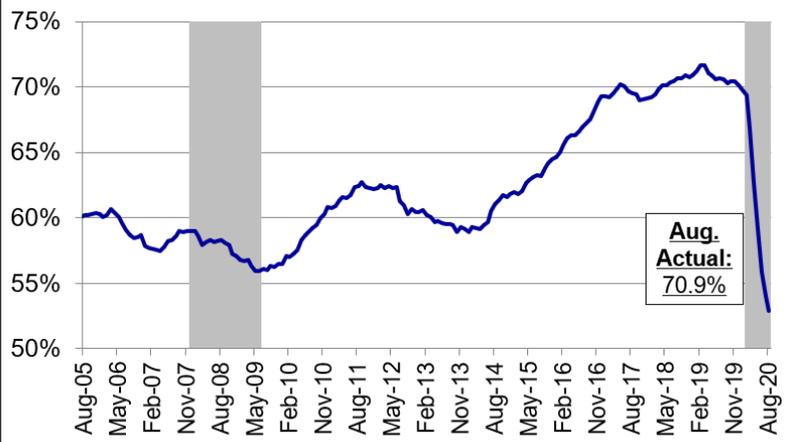


University of Colorado  
Colorado Springs



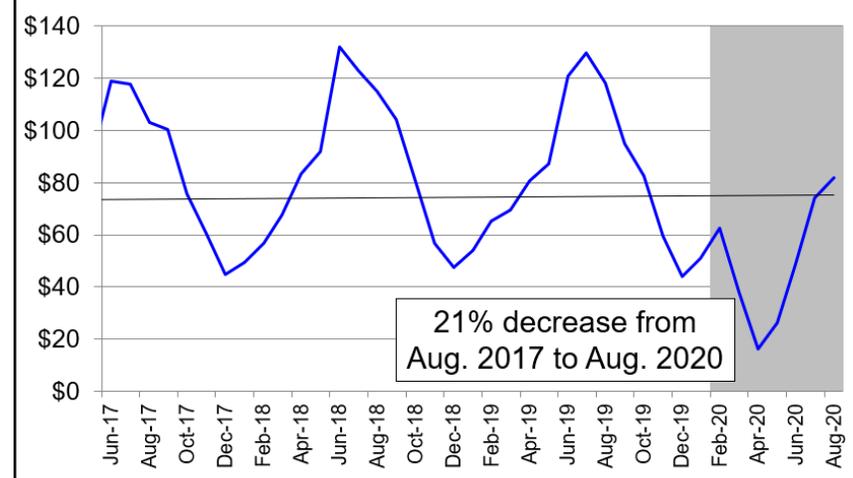
University of Colorado  
Boulder | Colorado Springs | Denver | Anschutz Medical Campus

### Colorado Springs Hotel Occupancy Rate 12 Month Moving Average



Source: CO Hotel and Lodging Association, Rocky Mountain Lodging Report

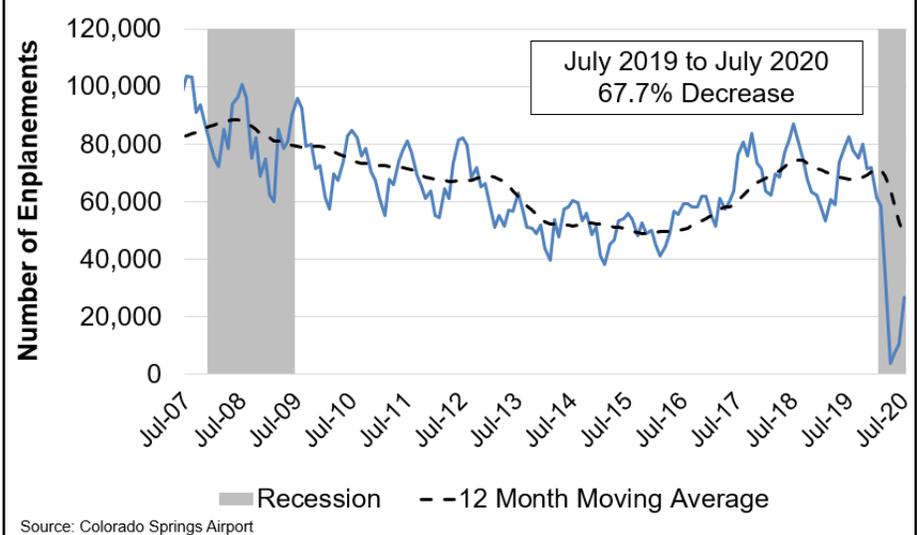
### Colorado Springs Hotel RevPAR



Source: CO Hotel and Lodging Association, Rocky Mountain Lodging Report

*(Local) hotel occupancy and profitability are down, but less so than U.S.*

### Colorado Springs Airport Enplanements



Source: Colorado Springs Airport

*As are enplanements, but commercial zone at COS airport is mitigating damage.*

# Downtown Partnership Update

Downtown sales tax receipts down 68% compared to down 8% (June).

Dine Out Downtown on-street dining extended through October with expanded outdoor seating

Heaters and blankets (partnership with Switchbacks)

Restaurants still operating at 50% of capacity (skinny margins to begin with).

Source: Susan Edmondson, Executive Director, Downtown Partnership

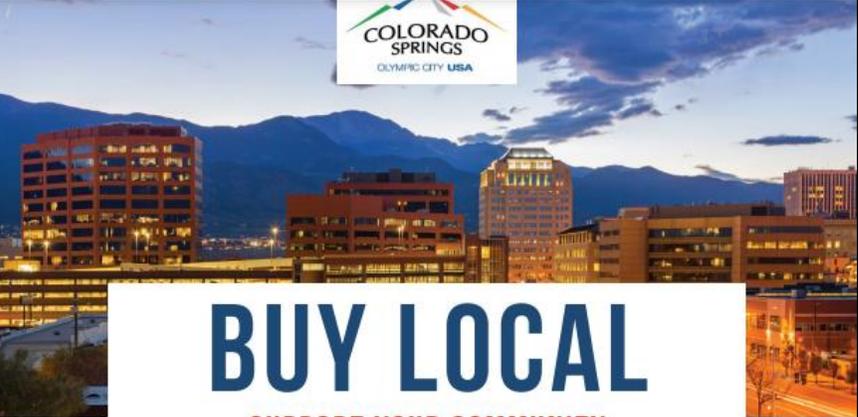


University of Colorado  
Colorado Springs



University of Colorado  
Boulder | Colorado Springs | Denver | Anschutz Medical Campus

# Help Our Community – Buy Local!

## BUY LOCAL

### SUPPORT YOUR COMMUNITY

There are **572,546** small businesses in Colorado. These small businesses employ about **1 million** Colorado residents.



Small businesses create **1.8 MILLION** jobs annually or 60% of new jobs in the U.S. in 2019



New businesses, or startups, generated **33,618** new jobs in Colorado in 2019



**ALMOST 20%** of small businesses are **FAMILY-OWNED**



### OUR CITY

There are almost 31 million small businesses in the United States. About 50% of all employment is through small business enterprises. When you buy local, you increase local employment, the buying power of local workers, tax revenue and government funds for long-term investments like infrastructure and education, and you help the environment by reducing transport costs. You also foster American entrepreneurship and innovation.



## FUEL THE GROWTH

### WHEN YOU BUY \$100 LOCALLY...

**\$70** STAYS IN YOUR COMMUNITY

- Buying local increases local government tax revenue
- Local taxes go to schools, police stations, fire stations, etc.
- Local businesses utilize other local businesses for marketing, accounting, printing, etc.
- Local businesses create jobs
- Local businesses donate to local non-profits

**\$30**  
LEAVES LOCAL ECONOMY

### WHEN YOU BUY \$100 NON-LOCALLY...

**ONLY \$40** STAYS IN YOUR COMMUNITY

- Your dollars pay wages in other countries or states
- Your dollars do not contribute to local economic diversity
- You increase your carbon footprint
- You increase our reliance on other regions

**\$60**  
LEAVES LOCAL ECONOMY

Developed by the UCCS Economic Forum  
 Economic Forum  
 COLLEGE OF BUSINESS  
 UNIVERSITY OF COLORADO  
 COLORADO SPRINGS

Thanks to Forum partner, Steve Blazer (Blazer Electric) for sparking the conversation and to Annie Rosack, UCCS Student, for her assistance.

# Parting Thoughts

Colorado is highly educated and that will insulate us *some* from pandemic-induced damage

More WFH short-term, consumerism hit not as badly

Innovation in the long-term

Military/DoD presence an anchor (but we are also a diverse state & city)

Especially true for Colorado Springs

Political gridlock particularly harmful in one of few times only government can create such a broad-based disease strategy

More debt is awful, but necessary at this juncture (lesser of 2 evils); without fiscal spending 2021 will be rough

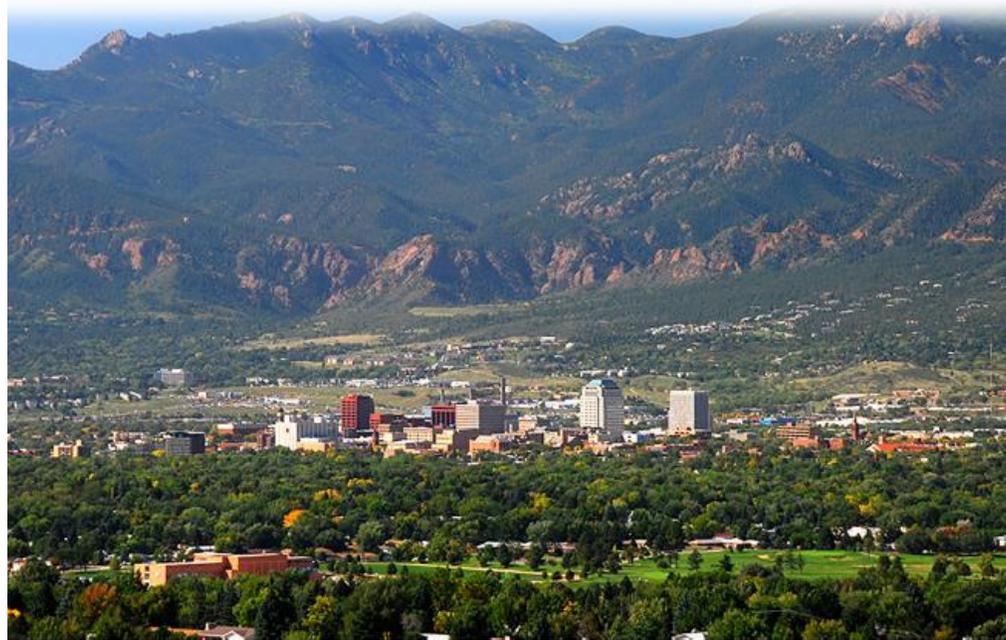
Not meat and potatoes spending, but investment in a new landscape that embraces generational and secular trends.

***\*\*Smart businesses, communities and countries embrace change, even capitalize on it.\*\****

**UCCS**  
Economic Forum  
COLLEGE OF BUSINESS  
UNIVERSITY OF COLORADO  
COLORADO SPRINGS

23<sup>rd</sup> Annual Economic Update  
**UCCS**  
**Economic Forum**  
2019

*Booklet coming  
Winter 2020!*



PLATINUM SPONSORS:



MEDIA SPONSORS:



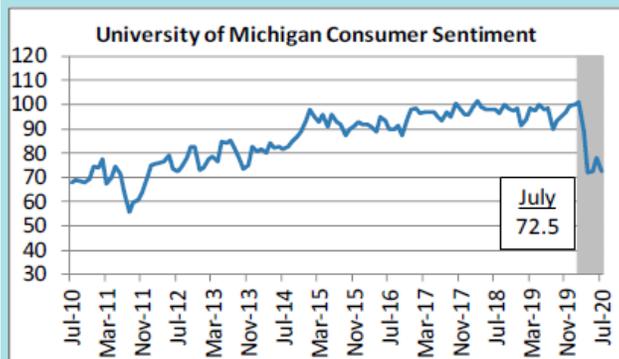
# The Big Picture

## U.S. Quarterly GDP



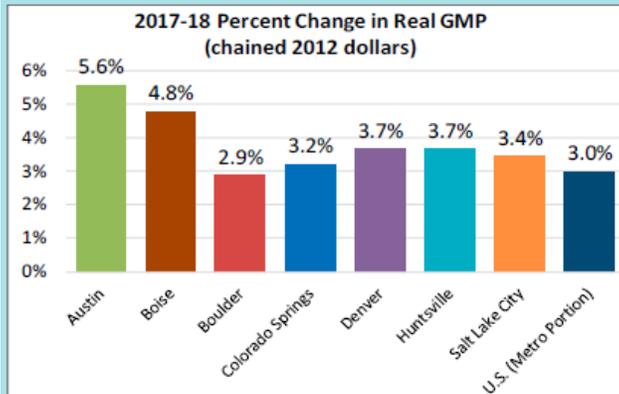
\*Aug. revised release of Real GDP Percent Change from Q2 Year Ago, SA  
 \*\*If Q2 declines were annualized over the year.  
 Source: U.S. Bureau of Economic Analysis

## U.S. Consumer Sentiment



Source: University of Michigan

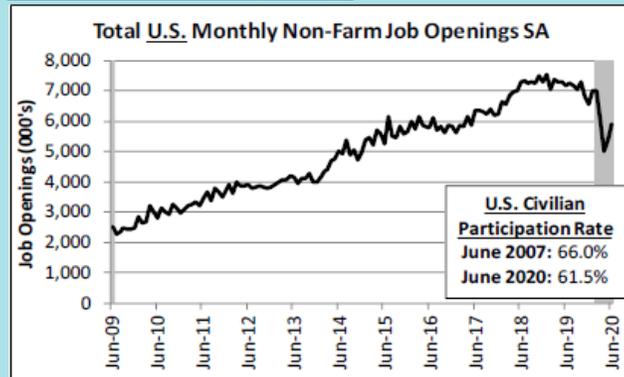
## MSA Real GMP



Note: Military data is included in GMP. Real GMP is adjusted for regional price parity (RPP). Percentage change compares 2018 to 2017 real GMP.  
 Source: U.S. Bureau of Economic Analysis

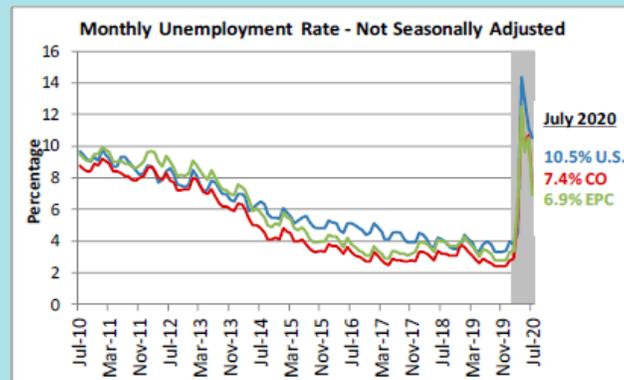
# Labor Force/Employment

## U.S. Non-Farm Job Openings



Source: U.S. Bureau of Labor Statistics; Job openings data lags.

## Unemployment Rate



Sources: U.S. Bureau of Labor Statistics; CO Dept. of Labor & Employment LAUS; Data not seasonally adjusted.

## Inflationary Measures

U.S. Consumer Price Index - July 2020		
	All items	Less food & energy
Change from June to July 2020 (SA)	0.6%	0.6%
Last 12-months (NSA)	1.0%	1.6%

Source: U.S. Bureau of Labor Statistics; data for all urban consumers (CPI-U)



**Economic Forum**  
**COLLEGE OF BUSINESS**  
 UNIVERSITY OF COLORADO  
**COLORADO SPRINGS**

updated (8/27/2020)

# Local Labor Force/Employment

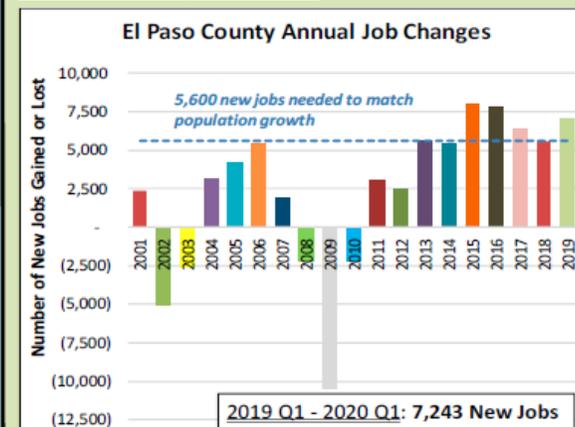
## Colorado Springs MSA Job Openings

July 2020		
Top Job Titles	# of Job Postings	Market Salary
Software Developers, Applications	675	\$98,739
Sales Reps, Wholesale & Mfg	549	\$43,225
Heavy & Tractor-Trailer Truck Drivers	533	\$58,259
Retail Salespersons	530	\$26,682
Computer Systems Engineers/Architects	504	\$97,034
Registered Nurses	497	\$58,596
First-Line Supervisors of Retail Sales Workers	361	\$32,372
Customer Service Reps	350	\$28,187
Managers	338	\$70,963
Information Security Analysts	317	\$97,472

**TOTAL Job Openings: 20,110**  
**TOTAL Unemployed: 24,549**  
**Workers Available per Job Opening: 1.22**

Sources: Burning Glass Technologies; Labor Insights, 2020 via Pikes Peak Workforce Center and CO Dept. of Labor & Employment

## El Paso County New Jobs

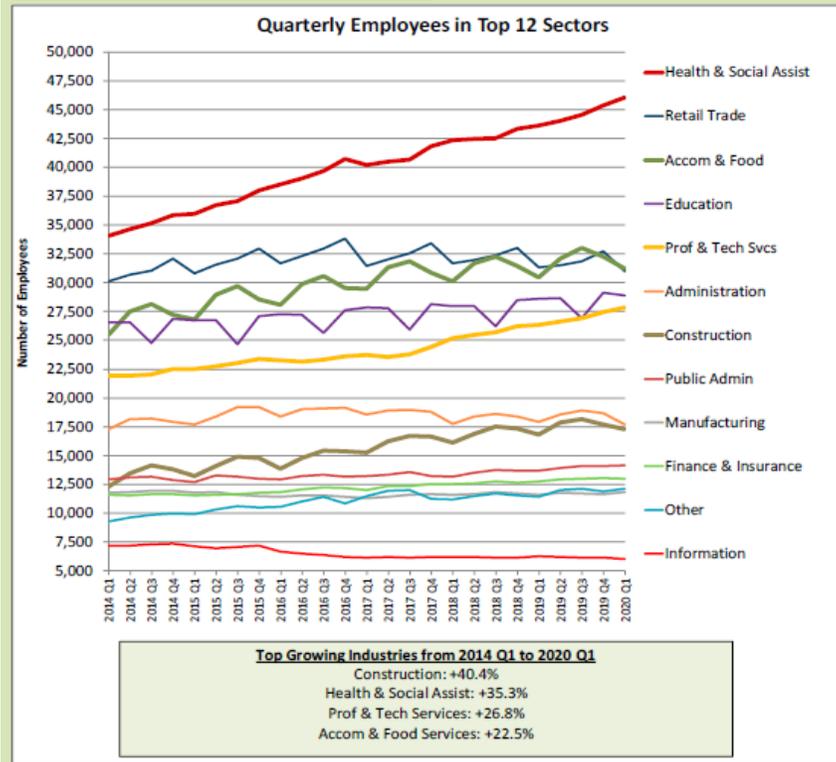


An estimated 5,600 jobs are needed based upon population growth and age composition; calculated by the UCCS Economic Forum.

Sources: CO Dept. of Labor & Employment, Quarterly Census of Employment and Wages (QCEW); UCCS Economic Forum

**2019 Q1 - 2020 Q1: 7,243 New Jobs**

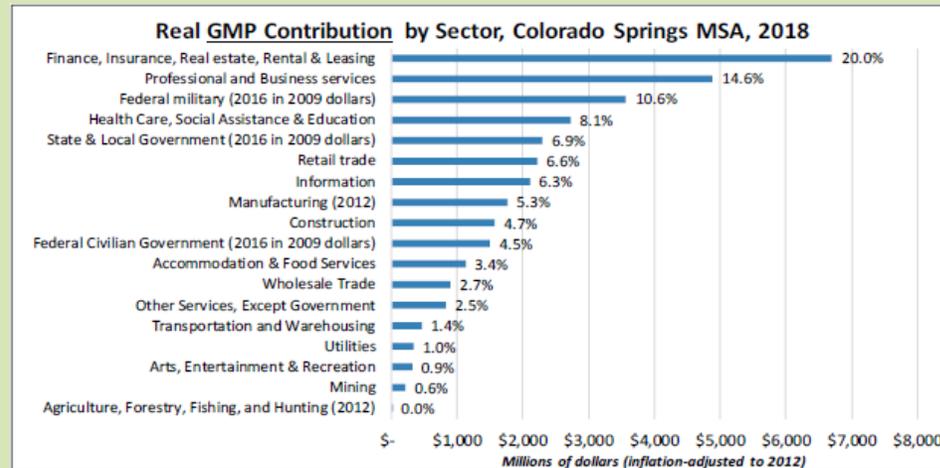
## Local Employment/Wages



Note: QCEW data lags by up to two quarters and does not include military-related employees.

Sources: U.S. Bureau of Labor Statistics and Colorado Department of Labor and Employment, QCEW. See military section for military employment sources.

## Colorado Springs MSA GMP by Sector



Manufacturing and Agriculture data last disclosed in 2012. Government data lags for these metrics and was not released by sector so data shown is for 2016 in 2009 dollars.

Source: U.S. Bureau of Economic Analysis

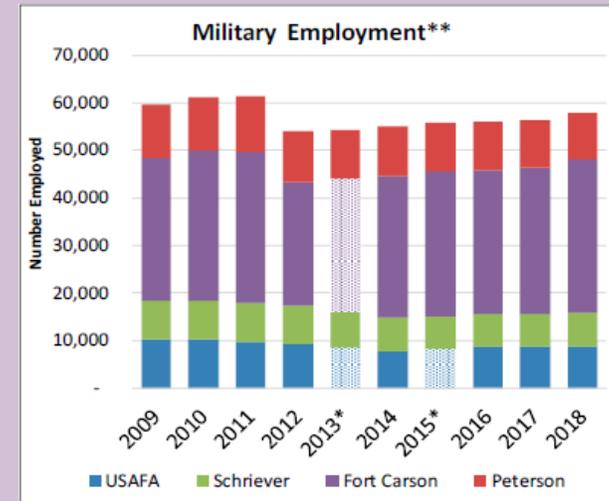
## 2020 Q1 Average Annual Wages for All Industries

El Paso County wages are **14.9%** lower than U.S. wages and **18.9%** lower than CO wages.

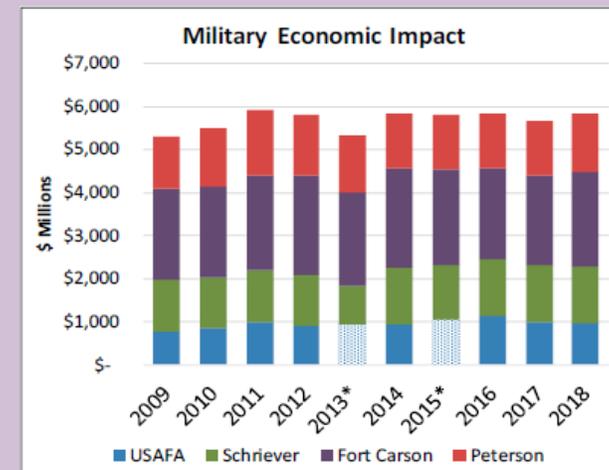
U.S.	Colorado	El Paso County
\$63,544	\$66,716	\$54,080
<b>2020 Q1 El Paso County Total Employment (excluding military)</b>		283,836
<b>*Estimated military employment in 2018 (and % of total EPC employees who are military).</b>		57,852 (17.3%)

## Military

### El Paso County Employment



### Expenditures in El Paso County



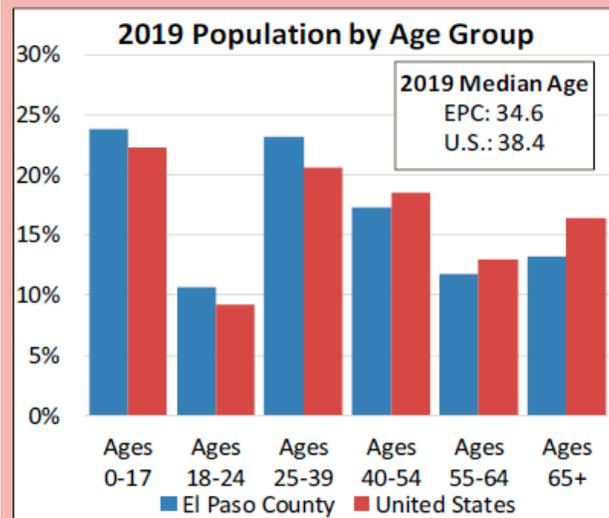
\*2013 and 2015 data was not available for all locations. Textured bars are an estimate in 2013 and 2015 made by the UCCS Economic Forum.

\*\*The employment numbers for Schriever and Peterson include significant numbers of civilian contractors. The employment numbers for USAFA include cadets and several kinds of contract workers.

Sources: Department of Military and Veteran Affairs; Colorado Springs Chamber of Commerce & EDC; respective military installations

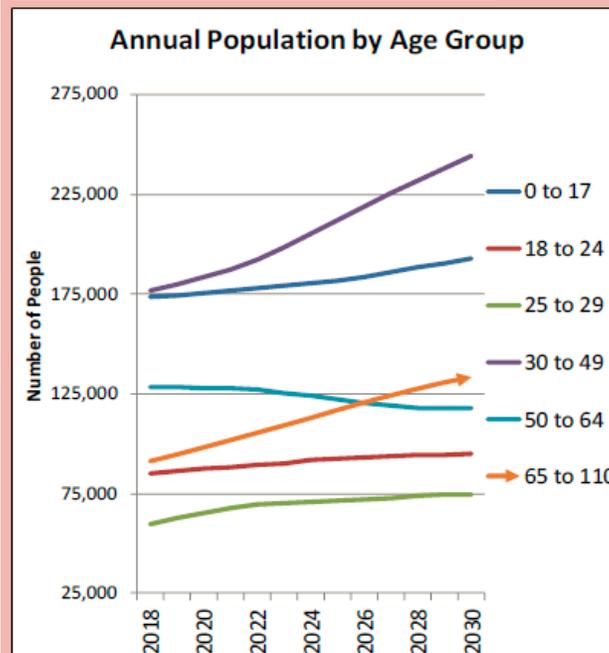
## Demographics

### El Paso County & U.S. Age Groups



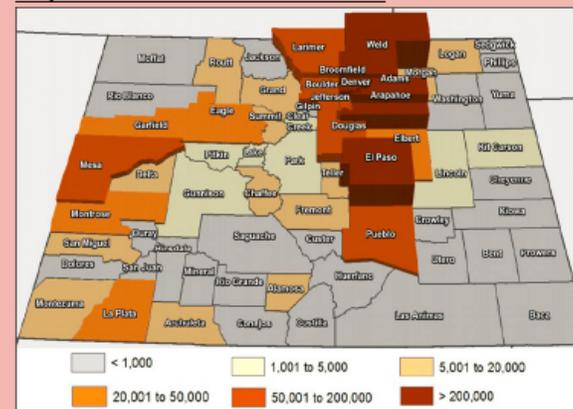
Source: U.S. Census Bureau, Population Division

### El Paso County—Population Projections



Source: Colorado Department of Local Affairs, State Demography Office

## Population Growth 2018-2050



The State Demography Office projects a population increase of 362,821 additional people between 2018-50.  
Source: Colorado Department of Local Affairs, State Demography Office

## 2018 Population

Colorado Springs (city)	El Paso County	Colorado Springs MSA
472,688	713,856	738,939

Source: Colorado Department of Local Affairs, State Demography Office

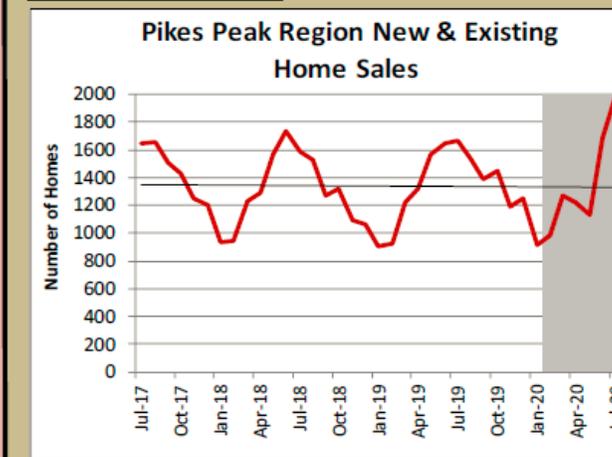
## Cost of Living



Notes: The Housing Opportunity Index (HOI) is defined as the share of homes sold in that area that are affordable to a family earning the local median income, based on standard mortgage underwriting criteria. It includes new and existing homes.  
Sources: National Association of Home Builders; Wells Fargo

## Real Estate

### Monthly Home Sales

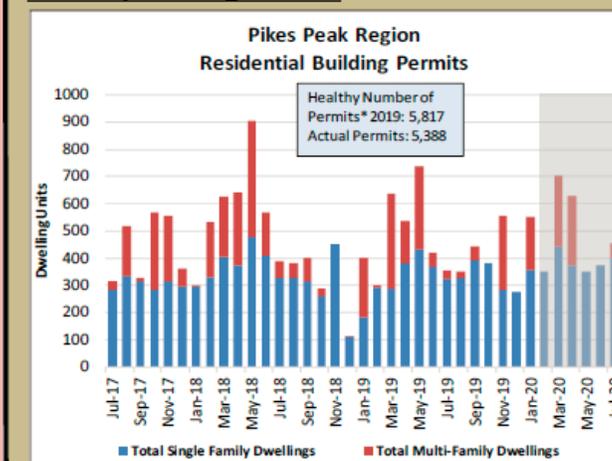


### Median Existing Single-Family Home Price 2020 Q2

Location	Colorado Springs	Denver	Boise	United States
Price	\$353,400	\$478,400	\$332,800	\$291,300
1-year % Change	8.3% increase	1.5% increase	12.6% increase	4.2% increase
MSA Rank	26	12	33	n/a

Sources: Pikes Peak REALTOR® Services Corp.; National Association of REALTORS® Includes existing homes only.

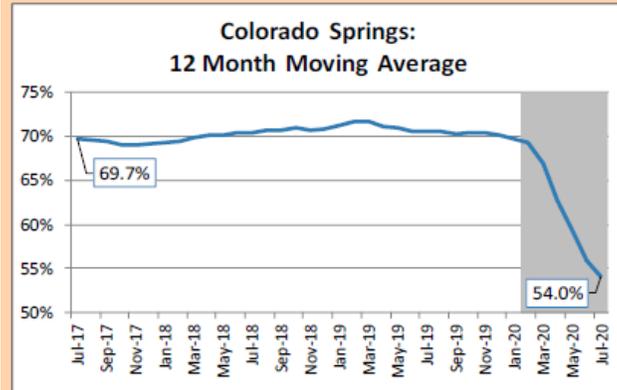
### Monthly Building Permits



\*Healthy number of permits is calculated on number of households and population growth. Source: Pikes Peak Regional Building Department

## Tourism

### Hotel Occupancy Rate

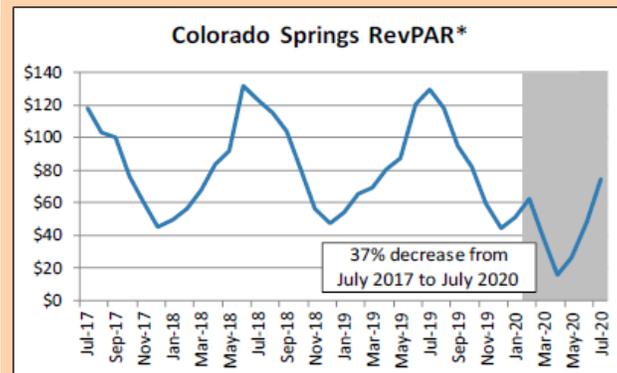


### Hotel Occupancy Rate July 2020

Colorado Springs	Denver	Colorado
66.0%	43.0%	48.9%

Source: Colorado Hotel & Lodging Assoc., Rocky Mountain Lodging Report

### Hotel RevPAR



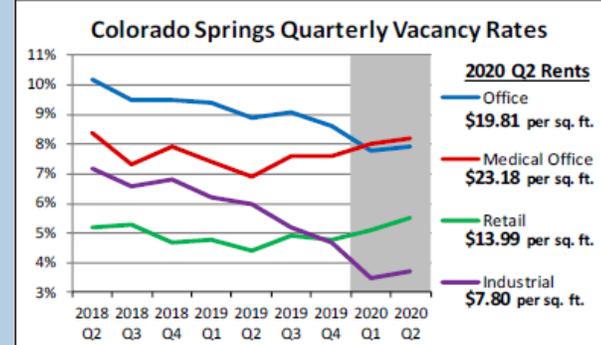
### Hotel RevPAR July 2020

Colorado Springs	Denver	Colorado
\$74.29	\$41.94	\$64.57

Source: Colorado Hotel & Lodging Assoc., Rocky Mountain Lodging Report  
\*RevPAR measures hotel revenue by taking the average room rate times hotel occupancy.

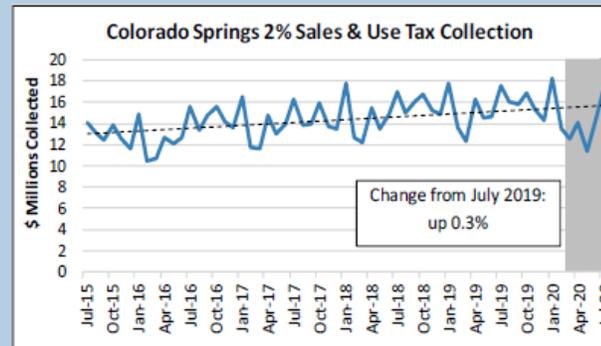
## Additional Metrics

### Colorado Springs Commercial Real Estate



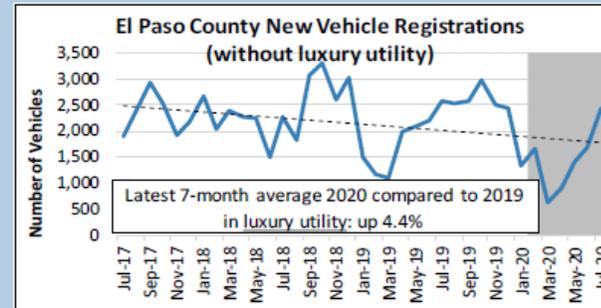
Sources: CoStar Group™; Olive Real Estate Group, Inc.

### Monthly Sales & Use Tax Collection



Source: City of Colorado Springs

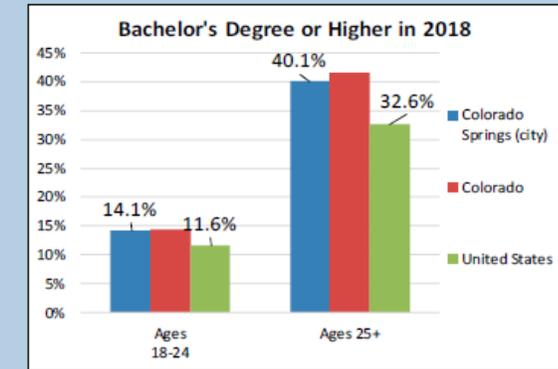
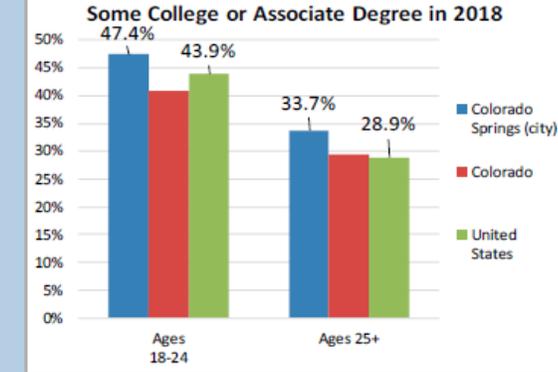
### Monthly New Vehicle Registrations



Luxury utility categories (all terrain, camper trailer, trailer coach and trailer utility) are not included in graph line above, but % change in this category is noted in text box.

Source: El Paso County Clerk & Recorder; Colorado Interactive LLC

## Educational Attainment



Source: U.S. Census Bureau, American Community Survey

### U.S. Interest Rates



Source: Board of Governors of the U.S. Federal Reserve System; Freddie Mac

©2020 UCCS Economic Forum. All Rights Reserved.

For permission to reproduce or forward this document, contact Tatiana Bailey at [tbailey6@uccs.edu](mailto:tbailey6@uccs.edu) or Rebecca Wilder at [rwilder2@uccs.edu](mailto:rwilder2@uccs.edu).  
 All information provided by the UCCS Economic Forum is made possible by the support of local businesses. For current and past annual Forum booklets, please go to our website: [www.UCCSEconomicForum.com](http://www.UCCSEconomicForum.com).



Economic Forum

COLLEGE OF BUSINESS

UNIVERSITY OF COLORADO  
COLORADO SPRINGS

**Thanks to Steve Weed Media!**

STEVE  
WEED **MEDIA**  
VIDEO PRODUCTION & LIVE STREAMING



University of Colorado  
Colorado Springs



University of Colorado  
Boulder | Colorado Springs | Denver | Anschutz Medical Campus



## Economic Forum

**COLLEGE OF BUSINESS**

UNIVERSITY OF COLORADO  
**COLORADO SPRINGS**

**Find articles and previous annual reports here:**

**[www.UCCSEconomicForum.com](http://www.UCCSEconomicForum.com)**

Follow us on Twitter @UCCSEconForum



University of Colorado  
Colorado Springs



University of Colorado  
Boulder | Colorado Springs | Denver | Anschutz Medical Campus